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29 APRIL 1986

Sub-Saharan Africa Report



FOREIGN BROADCAST INFORMATION SERVICE

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29 APRIL 1986

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CHAD

ENVOY COMMENTS ON GOUKOUNI ABSENCE

AB312225 Dakar PANA in French 1655 GMT 31 Mar 86

[Text] Kinshasa, 31 Mar (AZAP/PANA)--Commenting on Goukouni Oueddei's failure to attend the Loubomo reconciliation meeting in Congo last weekend, Maitine Djoumbe, Chad's ambassador to Zaire, stated that "Former Transitional National Union Government [GUNT] President Goukouni Oueddei remains a 'prisoner' of Colonel al- adhdhafi who does not want peace to return to Chad."

Maitine Djoumbe, who was returning from Congo where a reconciliation meeting between President Hissein Habre and the former GUNT president was to take place, said the meeting did not take place because of "Goukouni's failure to honor his word."

"Goukouni Oueddei's absence was predictable," the diplomat said, adding that this attitude by the Chadian opposition leader constitutes "a lesson from which the international community could have a clear idea of Goukouni."

The Chadian ambassador also asserted that apart from Goukouni and a few followers, the other Chadians have expressed the desire to return home, adding that the Chadian government everyday records a massive return of these brothers.

/9599

CSO: 3400/1421

KENYA

PROBLEM OF CROP LOSS DUE TO POOR PEST CONTROL RAISED

Nairobi THE KENYA TIMES in English 4 Apr 86 p 6

[Text]

IN yesterday's edition of the "Kenya Times," we published a seemingly innocuous news item about Quelea birds having destroyed over 3,000 acres of farms in Shinyanga district of Tanzania. The news item on financial/business page might have escaped the attention of general readers and even the prime readers of the section.

Quelea birds, though delicious, are also devastating in large flocks as they have an insatiable appetite for almost all popular and common food grains, from wheat to maize. Why we have highlighted this seemingly innocuous and foreign news item is because of the grave danger that might befall our farmers and in particular grain farmers and the consequences that might follow for the country as a whole.

Shinyanga district in Tanzania is not very far from districts like Narok, Kajiado and Taita-Taveta in Kenya, especially with migratory birds like the Quelea who follow a roughly north-eastern migratory path. As the Shinyanga news item shows, the Quelea birds are indeed a problematic pest to control, contain or eliminate.

We hope that farmers in the most likely target districts mentioned above will take precautionary measures and so should the relevant authorities, especially the Ministry of Agriculture and Livestock Development to make sure that the Quelea birds do not cause any serious damage to the country's food grains.

We hope also that the Tanzanian authorities will have managed to delay, contain and control this impending attack by the Quelea birds.

After the last brush with famine and drought that engulfed the continent in 1984-85, primarily due to a fatal combination of natural and man-

made factors, we cannot allow our bumper harvests of cereal and other food crops to be devoured by pests. Certainly not. We must, therefore, declare total war not only on *Quelea* birds, but also locusts and army-worms to name the two most destructive ones.

Of course we recognise and appreciate that pest control is a tedious and expensive undertaking, but to allow the pests a niche is like allowing the proverbial camel that ended up throwing out the owner from his tent.

We hope that the relevant ministry has been in touch with their counterparts in Tanzania about the spread, flight path and the density of the *Quelea* flock and are ready for action. We hope that the Tanzanian episode is an isolated case and that they will swiftly bring it under control.

Leaving the issue of *Quelea* birds aside, we would like to focus our attention on general agricultural pests and their effect on the national food production capacity. It is common knowledge that an unacceptably high percentage of our total food crop production is wasted or more appropriately devoured by pests causing at times severe social and economic setbacks to our farmers and the country as a whole.

Though acknowledging and appreciating the difficult task facing our pest control units and other relevant authorities, we feel that there is a certain failure when it comes to the area of information. Farmers, we believe, ought to be notified a little earlier of any outbreak of pests as precautionary measure. We are aware that some officials would be hesitant in releasing such information unless they are certain but we also feel prevention is better than cure.

/13104

CSO: 3400/1511

KENYA

BRIEFS

EXPORTERS PROTEST PAYMENT DELAYS--Delays in payments of export compensation by banks is eroding the credibility of the export compensation scheme, exporters have complained. A survey conducted by the Kenya Association of Manufacturers (KAM) indicates that administrative procedures by banks are frustrating prospective utilisers of the scheme, introduced three years ago to boost exports. Other delays arising from paper work and loss of vital documents were cited as bottlenecks to the implementation of the scheme. The chairman of the KAM, Mr Lukas Ndungi, urged the Government to restore the credibility of the scheme by making the implementation effective. Mr Ndungi told a press conference in his office yesterday that manufacturers involved in the export trade were losing interest in the scheme because of the delays in getting their compensation payments from their respective banks. "There are exception cases going back to 1983," Mr Ndungi claimed. He called on the relevant institutions, especially the banks, to re-examine their administrative processes which could be contributing to the problem. Exporters, he said, were disappointed by the amount of paperwork involved and loss of vital documents which contribute to the delay in payments. Mr Ndungi said although there had been improvement in the last year, there is room for improvement if the exporters are to be fully encouraged to utilise the scheme. Among the recent improvements, Mr Ndungi said, is the reduction in duty on imported raw materials and sales tax on imported machinery. Another bottleneck to the export promotion is the high cost of raw materials compared to the cost in other countries which local manufacturers have to compete with he said. [Text] [Nairobi DAILY NATION in English 4 Apr 86 p 10] /13104

THREE JAILED FOR SEDITION--A lecturer, a chief accountant and a farmer were jailed yesterday for four-and-a-half to five years each for possessing seditious publications. The Chief magistrate, Mr H. H. Buch also ordered that the publications be forfeited to the State. Mr Buch said he had studied the documents produced in court to support the cases facing the three men and found them (documents) to be seditious. He said all three were educated people who knew that the documents they held contained seditious matters. The three are a lecturer at the Kenya Science Teachers College, John Kamonye Manje, who got five years, a chief accountant with the Kenya Posts and Telecommunications, Geoffrey Kiongo Maina, who got five years, and a Githunguri farmer, Peter Gathiga Kihara, who was jailed for four-and-a-half years. Manje had admitted having a seditious publication called Mpatanishi No 15 while Maina had two seditious publications called Mpatanishi No 15 and

Mwakenya Kihara (51) also admitted having similar publications at his Githunguri farmhouse on January 23. All three, according to the assistant deputy prosecutor, had been found with the publications which intended to "excite disaffection against the Kenya Government". Mr Chunga said last week that CID officers had found the publications in Manje's house. In mitigation, Manje said he was aged 34, had served the country for 11 years with diligence and was a married man with three children - two of them in primary school. [Excerpt] [Nairobi DAILY NATION in English 3 Apr 86 p 28] [Article by Andrew Kuria] /13104

MAU-MAUS REPORTEDLY BUYING UGANDAN ARMS--The editors of Uganda's Weekly Digest newspaper have reacted to the official denials in Kampala, Uganda saying they stand by their report that former Kenyan guerrillas have been buying weapons from remnants of the former Ugandan army in the north of the country. The article, published in Kampala Monday, had said former members of the "Mau-Mau" rebellion in pre-independence Kenya were buying up arms in northern Uganda at give-away prices from fleeing soldiers. The paper added that the Ugandan authorities had arrested several of the people involved in arms trafficking. A government statement issued on Tuesday described the story as a malicious fabrication intended to poison relations between Uganda and Kenya. But in a strongly-worded statement signed in Kampala Wednesday evening, the paper's two editors, Jesus Mashete and Wilson Wacdera, said: "Truth is what we stand for." [Text] [Lagos DAILY TIMES in English 28 Mar 86 p 9] /13104

CSO: 3400/1511

MOZAMBIQUE

BRIEFS

AGRICULTURAL AID FROM SWEDEN--At a meeting of the [Swedish] government on Thursday [3 April] it was decided that 84 million kronor will be given in continuing aid for agricultural development in Mozambique. These funds are within the framework of Sweden's regular aid budget for that country. [Text] [Stockholm DAGENS NYHETER in Swedish 4 Apr 86 p 8] /13104

CSO: 3400/1502

NIGERIA

JOINT COMMERCIAL VENTURES WITH BENIN OUTLINED

Enugu DAILY STAR in English 10 Mar 86 p 6

[Text] A Nigerian trade delegation is due in Benin Republic soon to discuss the commercialisation of the products of two joint ventures between the two countries.

These are the Save Sugar and the Onigbolo Cement Companies, all sited in Benin Republic.

This is contained in a communique issued in Cotonou following four-days of talks between the federal minister of industries, Alhaji Bunu Sheriff Musa, and the Beninois minister of finance and economy.

According to the communique, the Nigerian delegation is to be given every encouragement to ensure the early lifting of both sugar and cement for marketing in Nigeria.

The two ministers recognised the need to accord the two projects pioneer status.

They argued that if that concession was granted to them, it would enhance the prospects of their viability, and as a result generate additional impetus to sustain further co-operation between Nigeria and Benin.

The communique also disclosed that the two ministers agreed on the need for effective management and the employment of the right calibre of personnel to ensure the success of the two projects.

The two joint ventures between Nigeria and Benin

Republic are to be exposed to the searchlight of audit management report.

According to a communique issued at the end of the four-day discussion, both countries will appoint an external auditor to carry out the exercise which must be completed within three months.

The two ministers also agreed that Nigeria and Benin should appoint an appraisal team before the re-negotiation of the external loans in respect of the Onigbolo Cement was allowed.

The proposed appraisal team, among other things, would carry out a post installation inspection on the machineries and equipment to determine their real cost.

It is also to ascertain whether the equipment actually justify the loans taken.

They also agreed that the partners should be held responsible for any fault that might be discovered by the appraisal team, the communique pointed out.

The ministers similarly agreed that a delegation made up of both countries should be allowed to go and re-negotiate the loans in respect of the Save Sugar Company.

Besides, it was also agreed that the governments of the two countries should remove all unnecessary taxes, levies, electricity bills currently borne by the economies.

They contended that all those factors tended to make the pricing of the products uncompetitive with the world market prices of the same products.

/13104
CSO: 3400/1500

NIGERIA

AGRICULTURAL RESEARCH TREATY SIGNED WITH AUSTRALIA

Kaduna NEW NIGERIAN in English 14 Mar 86 p 9

[Text]

THE Minister of Science and Technology, Prof. Emmanuel Emovon, Wednesday on behalf of the federal military government signed a memorandum of understanding between Nigeria and Australia for collaborative research in agriculture.

In an address during the ceremony, the Minister said that the agreement covered research in soil, crop, pasture and livestock improvement in the Savanna region of Nigeria.

He said that the agreement, which is for three years and would also provide a forum for scientists from the two countries to exchange ideas on dryland crops and livestock research in Australia.

The Minister said that the research would also "cover the development of tropical crops and livestock in a farming system which will integrate forage letuoes, food crops and livestock into productive systems

under small-holder conditions using what is called "conservation" or 'minimum' "tillage practice."

"It is expected that the results of this research should make it possible for more meat and crop produce to be realised per unit area of land per year by the small scale farmer, he said.

According to the Minister, the first batch of Australian scientists will arrive in Nigeria next week to discuss modalities of the co-operation.

Replying, The Australian High Commssioner to Nigeria said his country would give equipment and assist in the scientific co-operation.

He said the agreement would assist both countries since it would afford their scientists opportunity of exchanging idea and knowledge.

The High commissioner expressed the hope that the cordial relation between both countries would continue to grow stronger

/13104

CSO: 3400/1500

NIGERIA

EEC FINANCIAL ASSISTANCE PACKAGE OUTLINED

Lagos DAILY TIMES in English 24 Mar 86 p 32

[Article by Igbokwe Mweruyh]

[Text] THE European Economic Community (EEC) is to grant N200 million financial assistance to Nigeria under the Lome syndicated programme.

The package will consist of N50 million outright grant and N150 million special loan, with 7 per cent interest rate for more than 40 years after ten years of grace.

This was disclosed in Owerri at the week-end by Mr. Maurice Foly, leader of the seven-man programming mission of the EEC now on a 10-day visit to Nigeria.

He said that in addition, the European Investment Bank would contribute N100 million of its own to finance productive investment in Nigeria in the form of interest subsidised loans.

He said that they were in the country to discuss with the Ministry of National Planning and other government authorities and to draw up an EEC financial indicated co-operation programme for Nigeria.

Mr. Foly told the authorities of the Federal University of Technology, Owerri when his team visited the institution that education and training were crucial in the overall development of Nigeria.

He assured them that the EEC was poised to use the aid available to Nigeria in accordance with the development priorities and objectives of the Nigerian government.

He expressed the hope that the findings of his mission would help the EEC to consolidate the programme.

Speaking on behalf of the institution's vice-chancellor, Professor S.C. Ugbolu enumerated the major problems facing the university.

He appealed for funds to execute the project already designed to accelerate development of the university.

The seven-man mission later visited the erosion site at Amucha and Okwudo communities in Nkwere/Isu Local Government Area.

/13104
CSO: 3400/1510

NIGERIA

TRADE EXCHANGE WITH GUINEA APPROVED

Lagos DAILY TIMES in English 27 Mar 86 p 13

[Text]

NIGERIA and Guinea have agreed on an "Action Programme" aimed at promoting trade exchanges between them.

They have also agreed to revive their cultural links.

The agreement followed a two-day Nigeria-Guinea second session of the joint commission meeting concluded in Lagos.

National Planning Minister Dr. Kalu Idika Kalu, said that both sides at the joint session identified some measures aimed at easing the speedy take-off of the three joint venture projects owned by the two countries.

In the industrial sectors the two countries have agreed that their chambers of commerce should make closer contacts to foster greater investment interaction.

Also, in recognition of the desires of both countries to attain self-sufficiency in food production, they agreed that the exchange of information and

expertise in fish processing, horticulture, agro-based industries and forestry exploitation should be intensified.

Dr. Kalu stated that the draft agreement on public health would have to be ratified by both governments before implementation.

He said that the Guinean request to barter crude oil and refined oil for bauxite would be further pursued with the appropriate Nigerian authority's consideration.

According to the minister, both sides reviewed the bilateral air services agreement between them and resolved that the three outstanding issues, relating to the agreement, which were raised by Nigeria should be looked into by the Guinean side.

In his speech, Mr. Benjamin said the agreement was necessary because his government valued economic ties with Nigeria and its dynamic private sectors.

/13104
CSO: 3400/1508

NIGERIA

TRADE RELATIONS WITH FRANCE INTACT, IMPORT INCREASE EXPECTED

Lagos BUSINESS TIMES in English 31 Mar 86 p 16

[Article by Ngu Ughamadu]

[Text]

FRANCE is determined to strengthen its trade relations with Nigeria in spite of the five-year-old economic downturn in the country.

The latest edition of the United Bank for Africa (UBA) Monthly Business and Economic Digest (BED) made available to the Business Times last week in Lagos said that certain developments in recent weeks had confirmed the observation.

A consortium of 34 French banks had agreed to extend a 200 million-dollar (about N199.92 million) credit facility to Peugeot Automobile Nigeria (PAN) to cover its importation of completely knocked-down (CKD) parts in the next six months.

With the guarantee of the Finance Ministry and the Central Bank of Nigeria (CBN), the French consortium would provide the credit under the Federal Government's deferred payments system which would enable the CBN to furnish

foreign exchange for repayments by instalments as the CKD parts were received in Nigeria. "PAN now expects to produce at the rate of 200-220 cars daily for the next six months".

Also, France's export credit guarantee agency (COFACE) was said to be ready to guarantee a 271 million dollar (about N270.89 million), the French portion of the off-shore finance for Nigeria's Fourth Refinery at Alao-Eleme, near Port Harcourt.

French and Japanese companies were expected to build about 500 million dollar (N499.80 million) under the commercial contracts signed in February 1985.

However, work on the construction of the refinery had been delayed by financing difficulties. Japan's Ministry of International Trade and Industry (MITI) the counterpart of COFACE, had earlier guaranteed a loan of 280 million dollar (about N279.88) which was the Japanese portion of the off shore finance.

Spie-Batignolles (spibet) and its local associates spibet Nigeria, were

to handle the civil works of the project while JGC Corporation and Marubeni Corporation of Japan would instal the process technology.

According to the NNPC Managing Director, Mr. G. A. Adams, "The corporation will commit some crude oil to cover its own 15 per cent down payment for the scheme".

France's Dumez and Fougere had reportedly agreed to a new contract price and a revised contract schedule for the remaining civil works at Ajaokuta.

The new arrangement allowed 33 months of full-time work for completion.

"With these latest developments in its trade relations with Nigeria, France is set to increase its exports to Nigeria.

In 1985 they reportedly declined sharply. This is largely attributable to the loss of the lucrative sugar export to Nigeria occasioned by the Brazilian - Nigerian countertrade agreement, as well as the collapse of the NNPC-SCOA-ELF Aquitaine 500 million dollar (about N499.80 million) countertrade deal last July".

NIGERIA

IMPORT LICENCE ALLOCATIONS, POLICIES, PRIORITIES

Kaduna SUNDAY NEW NIGERIAN in English 9 Mar 86 pp 1, 11

[Text] THE Federal Military Government has allocated 5.476 billion Naira for 1986 import licences, the Minister of Trade, Major-General Mohammed Gado Nasko has disclosed.

Major-General Nasko who disclosed this while briefing the press on the activities of his ministry in Lagos yesterday said the allocation will be for agro-allied, chemical, engineering, general merchandise and government projects.

The minister said the amount would however be adjusted appropriately if need be in the light of the government's 1986 foreign revenue receipts, adding that the 1986 import licences are now being written and will be released in instalments sectorally as soon as they are ready. He said that the licences would have to be collected at the offices of the state ministries of commerce and industries through which applications were submitted initially.

Major-General Nasko said the names of the successful applicants would be published in Nigerian daily newspapers, thus the people concerned will know when to go to their respective states in which they carry on business to collect their licences. He added that this will obviate the need for businessmen from all over the country to travel down to Lagos for the licences as had been the case in the

past.

The criteria for the issuance of the 1986 import licence are based on agricultural, chemical and spare parts for farm machinery in order to assist food production, raw materials which cannot be sourced locally and spare parts for manufacturing so that the factories can utilise at least an average of 55 per cent of their installed capacities which will have the effect of providing more employment and reducing inflationary pressure through increased supply of goods.

Other priorities are new machinery to be used exclusively for processing local farm produce or mineral into acceptable raw materials and selected items of general merchandise such as books medical equipment etc which are in short supply in the country.

He spoke about the policy of federal government that the 1986 import licences other than those not valid for foreign exchange should be utilised in three instalments namely one third in the first quarter, one third in the second quarter and the balance in the third quarter, adding that the arrangement is designed to prevent imports which could have adverse effects on our foreign exchange resources and our infrastructural facilities at the ports.

The minister disclosed that the government spent over 400

million Naira annually on the importation of wheat annually adding that wheat is being considered to be purchased in bulk locally when the necessary arrangement for the bulk purchase is completed, which will result in saving considerable foreign exchange for the government.

He said also that he had constituted a committee on which the private sector is strongly represented to advise the government on the reorganisation of the Nigerian export promotion council (NEPC) so that it could effectively play the role of motivator and sustainer of our export drive.

On invalid import licences, Major-General Nasko said to date about 2,225 import licences valued over 12.13 million Naira have been approved and called on other businessmen and women par-

ticularly the large commercial and industrial organisations to avail themselves of this facility, especially at this time of our lean foreign exchange resources.

Commenting on export promotion, Major-General Nasko said his ministry approved 179.44 million Naira worth of export licence in non-oil sector representing 50 applications.

The minister disclosed that a decree would soon be promulgated to give legal backing to Nigerian businessmen and women in undertaking export trade adding that in the meantime a committee of experts has been set up to advise the ministry on appropriate export trade documentation that will simplify the procedures for the export promotion whilst at the same time ensuring that the documents meet the required standards of security to safeguard our national interests.

/13104

CSO: 3400/1498

NIGERIA

GOVERNMENT APPROVES EXPORT PROMOTION PACKAGE

Kaduna SUNDAY NEW NIGERIAN in English 9 Mar 86 p 1

[Text] THE Federal Government has approved a new package of incentives designed to promote export of Nigeria's manufactured goods and processed agricultural food items.

These include a refund to the exporter of the import duty on raw materials used for the production of export products and refund of the excise duty paid on export manufacture.

Exporters will be given preferential treatment in the issuance of import licence for raw materials required for export products as well as exemption from the 30 per cent import levy on the raw materials imported specifically for export production.

They will also be allowed to retain 25 per cent of the proceeds of foreign exchange earned from exports in their foreign currency accounts with a Nigerian bank.

This will be available to them for use in the importation of additional raw materials to meet export orders.

Besides, there is provision by the government of support services to businessmen and women seeking new export markets.

At a press briefing in Lagos, the Minister of Trade, Major-General Mohammed Nasko, referred to the export credit guarantee scheme which he explained, was designed to provide guarantee for loans granted to exporters by Nigerian banks to finance the production of goods destined for export.

It will also provide Nigerian importers with insurance cover against default in payment by foreign importers, he added.

He had earlier pointed out that prior to the advent of the present administration, little or no attention was paid to export promotion as a veritable means of earning foreign currency.

Rather, he said, the emphasis in the ministry of trade had always been on the issue of import licence which had the effect of diminishing the country's foreign reserve.

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CSO: 3400/1498

NIGERIA

BOARD CONSIDERS DISBANDING NATIONAL SUPPLY COMPANY

Lagos SUNDAY TIMES in English 9 Mar 86 pp 1, 3

[Article by Chris Obinagwam]

[Excerpt]

A NINE-MAN board has been appointed to bring order and sanity into the administrative and financial operation of the Nigerian National Supply Company (NNSC).

This is a prelude to the winding up of the company.

The Minister of Trade, Major-General M. G. Nasko disclosed this at the weekend in Lagos while briefing the Press on the activities of his ministry.

Major-General Nasko said that the performances throughout the years of NNSC existence fell far short of the expectations of the public and that of the government.

He said, because of the short comings, the justification for its continued existence was being questioned by the Nigerian public.

The minister said that the present administration was equally disturbed about the parastatal's failures and had come to the conclusion that it would be unwise, in the light of the company's dismal performance and in the context of the present economic realities, to allow the company to continue to exist.

He said in the circumstances, the government had decided that NNSC, should be wound up within one year

from February 28, 1986.

Major-General Nasko said "it is a sad commentary on the Nigerian National Supply Company that it could not put its house in order nor manage efficiently and prudently the huge financial and material resources entrusted to it by the Federal Government for the benefit of the people."

Instead, he pointed out: "Crisis after crisis, mismanagement and misappropriation of resources, pursuit of selfish interest wrecked the parastatal and made its continued existence inimical to public interest."

On what would be the fate of the workers, the minister said that a committee headed by the Director of External Trade, Navy Captain L. D. Gwon, had been set up to advise him on the issue.

/13104
CSO: 3400/1499

NIGERIA

ENCOURAGEMENT FOR AGRICULTURE IN 1986 BUDGET OUTLINED

Lagos BUSINESS TIMES in English 10 Mar 86 p 13

[Text] **NIGERIA'S** 1986 budget was the most agrocentric in years, introducing a wide range of new measures with the stated aim of achieving food self sufficiency within two years, reducing imports, fostering agriculture-led industrialisation, and improving the quality of rural life.

The most important of the new measures are:

Imports of vegetable oils, day-old chicks, and stock-fish (popular with Nigerian cooks) are to be banned with immediate effect: rice and maize imports were banned in October, 1985.

Importation of any raw material "which can be obtained through the processing of an annual agricultural crop" is to be banned.

The ban, to take effect on January 1, 1989, appears to be aimed primarily at the beer, soft drink and bread industries which are already seeking ways to substitute local agricultural products for a portion of their imported ingredients.

Agricultural exports, especially within the West African region, are to be encouraged: formerly, some such exports were banned.

Sixty-thousand kilometres of feeder roads will be built

or rehabilitated, using half the proceeds of the higher petroleum product prices introduced in the budget;

roads will be concentrated in areas with high potential for production of priority crops.

Small holder farmers are to be the centre-piece of government's food strategy because they have "clearly demonstrated that, given the right price and non-price incentives, they can produce the food and fibre required by the nation."

The government is to pull out of direct production and distribution of agricultural products; this implies privatisation of state produce marketing boards and other agricultural parastatals.

River Basin and Rural Development Authorities are to concentrate on water resource management and leave agricultural activities to the state government Agricultural Development projects, a number of which receive substantial world bank support.

Distribution of some farm inputs is to be commercialised.

An on-farm storage programme and market information service is to be launched.

Two months after the publication of the budget, many important details of the measures have yet to emerge.

NIGERIA

POOR AGRICULTURAL SUPPORT PRICES REPORTED

Northern Emirs Complain

Kaduna NEW NIGERIAN in English 11 Mar 86 pp 1, 3

[Text]

TWO emirs, Alhaji Shehu Idris of Zaria, and Alhaji Mohammed Yunusa Dan-Yahaya of Ningi have drawn attention to problems facing farmers in their areas which could reduce farmers' interest in agriculture.

The Emir of Zaria, Alhaji Shehu Idris, said in Zaria last Saturday that the government arrangements for purchasing surplus farm produce were not working because "unscrupulous middlemen" offered poor prices to farmers.

Alhaji Shehu Idris, who was speaking at the convocation ceremony of colleges of agriculture affiliated to the Ahmadu Bello University, described the plight of farmers as "pathetic" and urged government to arrest the situation.

Unless bold steps were taken to deal with the middlemen, the emir said, farmers would lose interest in agriculture "which is undesirable at a time when efforts are being made to give it a boost in view of declining revenue."

In an interview with the

New Nigerian at his palace, the Emir of Ningi Alhaji Mohammed Yunusa Dan-Yahaya, observed that commodity prices were too low and did not reflect the cost of labour borne by farmers.

The emir said although farmers had heeded the government's call to intensify farming, they still faced the problem of disposing surplus produce profitably.

Alhaji Mohammed also said the Grains Board which should absorb such surplus had not been paying farmers promptly forcing them to sell in the market where poor prices obtained.

He urged the federal and state governments to explore other ways of relieving farmers of the burden of surplus produce and suggested export arrangements or purchase by local industries for processing.

He cautioned that the prevailing situation could lead to a decline in food production in the next season as farmers tried to avoid getting stuck with surplus crops.

Negative Impact On Future Production Feared

Kaduna NEW NIGERIAN in English 19 Mar 86 p 16

[Article by Ibrahim Salihu]

[Text] **POOR prices offered by the federal and state governments for farm produce might seriously discourage farmers from going to farm next season.**

A *New Nigerian* investigations in Sokoto showed that the zeal with which farmers, particularly those in the large-scale bracket, took to farming recently had been dampened because the prices offered by government were in most cases below production costs.

It was learnt from various large-scale farmers that poor pricing coupled with the increase in the costs of fertilizer and other farm inputs would determine their commitment to farming.

It was also understood that some of the farmers who received loans from the governments and banks experienced difficulty with repayment because of poor pricing.

Such default in repayment would also affect their chances of securing further loans and threatened extension of such facilities to new applicants.

Chairman of Sokoto State branch of the National Council of Nigerian Farmers, Alhaji Muhammadu Tori, told the *New Nigerian* that the cost of production was higher, in absolute terms, than the government prices.

He said assuming the yield was good, a farmer could harvest one tonne of guinea-corn per hectare after spending 650 Naira on it but the government offered only 560 Naira per tonne.

Alhaji Muhammadu said a farmer would spend 750 Naira on a hectare to produce a tonne of millet but the government offered only 560 per tonne.

He said a hectare would provide one and a half tonnes of maize at 600 Naira against government's offer of 510 Naira and one tonne of cotton per hectare costs 968 Naira as against 850 Naira offered by government.

He said the cultivation of one tonne of groundnut on a hectare of land costs 830 Naira, just 20 Naira below the government's price, while a tonne of rice on a hectare costs 1,060 Naira if produced on the upland. The government offered only 770 Naira per tonne.

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CSO: 3400/1501

NIGERIA

PER CAPITA INCOME DECLINE REPORTED

Lagos BUSINESS TIMES in English 17 Mar 86 p 16

[Article by Roseline Umesì]

[Text] Income per head declined to N319.20 Kobo in 1982 from the highest level of N367.30 Kobo in 1980. This fact is contained in a Central Bank's latest publication known as 'Nigeria's Principal Economic and Financial Indicators'.

According to the statistics as at 1980, Gross Domestic Product (GDP) at 1977/78 factor cost was N31.2 billion while the population was estimated at 85 million people.

In 1981 in which income per head was N339.30 Kobo gross domestic product declined to N29.5 billion while the estimated population increased to 87 million people.

And in 1982 the GDP declined further to N28.4 billion while the population increased

further to 89 million people. And in the meantime the population is estimated at 100 million people with further reduced gross domestic product.

The report which is in the form of statistical data did not make any comment on the whole, however the drastic reduction in the level of capital per head is associated with the declining economic situation and fast population growth.

It is projected that income per head for 1985 and 86 may be less than N200 more especially when an account of increased population which is projected to over 100 million people is taken into consideration.

The danger of continuous decrease in Gross Domestic Product (GDP) is that it reduces the level of income per head.

NIGERIA

DESERT WIND DESTROYS CROPS IN GUMEL

Kaduna NEW NIGERIAN in English 22 Mar 86 p 9

[Article by Musuf Ozi Usman]

[Text]

CROPS have been destroyed by strong Sahara desert wind in Gumel Local Government area of Kano State, the Emir of Gumel, Alhaji Mohammed Sani, has said.

The Emir told the minister of agriculture, Retired Lt.-General Alani Akinrinade in his palace that if something was not done to stem the tide of the speed of the desert, many farmers in the emirate might have cause to migrate to other places.

Alhaji Ahmed therefore called on the Federal Government to do something urgently about the situation, one of which was the request to sink more boreholes to be used for irrigation purposes as a short-term measure.

He pointed out that the provision of irrigation schemes in the area had become necessary in view of the menace of desert encroachment and other unpleasant factors that militated against food production in the area.

The emir also appealed to the Federal Government to review the country's forestry law to provide for proper punishment for those who indiscriminately destroy the trees.

Responding, the minister said that the government felt concerned about the fast advancing Sahara desert and that steps were being taken to stem its tide.

General Akinrinade said steps were also being taken to ensure that adequate agricultural facilities were made available to farmers throughout the country.

NIGERIA

MINERAL PRODUCTION, EXPLORATION, EXPECTED SALES FIGURES

Kano SUNDAY TRIUMPH in English 23 Mar 86 p 1

[Article by Mus A. Tijjani]

[Text]

THE Nigerian Mining Corporation is expecting about 20 million Naira from the sale of industrial mineral products this year, the General Manager of the corporation, Mr. Timothy Pwajok has disclosed.

Mr. Pwajok who informed the *Sunday Triumph* in an interview said, already an agreement has been entered into with an oil company, Baroid Nigeria Limited for the supply of 20,000 tonnes of barite worth 3 million Naira.

He said the company was also expecting to realise about 10,000 tonnes of kaolin, 5,000 tonnes of feldspar, 10,000 tonnes of quartz and a substantial amount of alluvial gold during the same period.

According to him, although proper mining had started on the 99 per cent pure gold deposit at Ilesha, work on the Sokoto, Iperendu, Niger and Tarazo deposits would soon commence on trial basis before the end of the year.

On uranium, he said prospecting was still going on in Bauchi and Borno states, adding that gold deposits at Tarazo in Plateau State alone had been estimated to cover an area of about 25,000 square meters.

On the fate of 1,500 workers, he noted that it was sheer malice to say that the company might be unable to pay its workers' salaries "because the corporation has money to pay its workers' salaries for the next 6 years".

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CSO: 3400/1508

NIGERIA

CRISIS LOOMS IN TEXTILE INDUSTRY

Lagos BUSINESS TIMES in English 24 Mar 86 p 24

[Article by Dapo Ajibola]

[Text]

A CRISIS situation now looms in the textile industry as the looms are about running out of cotton.

The cause, according to investigation by the Business Times, is that the quantity of cotton that the Nigerian Cotton Board, as announced early in the month, can muster this year has dropped to 60,000 bales as against the 90,000 bales earlier fixed.

This was the absence of an early receipt of import licence by the textile mills to bring the required cotton lint which would cause the mills to close down since the 60,000 bales can not sustain the over 100 textile mills for one month. *

The total requirements of the industry in cotton this year is 650,000 bales and the cotton Board not having more than 60,000 bales to supply, leaves the industry with a total of 590,000 bales shortfall which could be supplemented through importation.

However the prospect of the industry getting this much from import licence is very remote taking cognisance

of the foreign exchange position of the country.

Textile manufacturers, because of this, expressed apprehension at the prospects of getting adequate import licences, outside counter-trade, this year to enable them import enough quantity of cotton to keep the mills rolling as it was in previous year.

With very low stocks, the textile mills are very much concerned about stoppages because most mills carry labour forces of not less than 2,000 and in the whole industry about 250,000 people are directly employed.

The total capacity production of textiles in the country is 600 million metres per annum. Last year the industry was restricted to 50 per cent capacity utilisation, implying that total production was 300 million metres for a population of over 100 million.

Last year's total production was about 300,000 bales of cotton which were mainly imported. For importation of cotton to fall below this level, this year production figure would fall below that of 1985.

Investigation among manufacturers revealed the

attempt being made to solve the incessant shortage of cotton supply in the country.

The manufacturers reached an agreement on a 10-year programme of cotton rehabilitation in the country with the Cotton Board and Federal Ministry of Agriculture, Water Resources and Rural Development.

For this Purpose, a body known as National Consultative Committee has been set up to supervise the efforts of producing at least 700,000 bales of cotton by 1990. This figure it is hoped would be adequate to feed the present installed capacity.

The manufacturers for the rehabilitation programme, estimated at a cost of N3 million per annum, pledged to provide N2.5 million yearly through levies on members while the remaining N.5 million is expected from the public sector.

The success of this programme would, according to expectation, remove the declines always recorded by the Nigerian Cotton Board. Below gives the sequence of demand and supply of cotton in the country over the past few years.

Year	Demand by textile mills in Bales	Supply by the cotton Board
1980	300,000	195,000
1981	300,000	160,000
1982	400,000	180,000
1983	500,000	150,000
1984	600,000	75,000
1985	650,000	80,000
1986	650,000	60,000

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CSO: 3400/1510

NIGERIA

DESPITE BORDER OPENING, ACTIVITY, TRAFFIC REMAINS LIGHT

Lagos BUSINESS TIMES in English 24 Mar 86 pp 1, 24

[Article by Dapo Ajibola]

[Text] **T**HREE weeks after the Nigerian land borders were opened, movement of persons and goods through the border posts have remained light.

A survey carried out by the Business Times last week at the Idiroko and Seme posts showed that movements across the border between Nigeria and Republic of Benin have not picked up compared to what it used to be before the closure of borders.

However, a government official at one of the borders described the frequency of movement as very slow initially, but by the time of Business Times visit the frequency had started picking up.

Figures recorded of persons during the three weeks at the Seme border, where it is easier to keep count of travellers showed that there were about 3,000 arrivals and 1,500 departures.

According to an official there seemed to be a cautious approach to movement. This might have been due to the presence of soldiers who carry out sporadic checks around the borders. This is mostly likely to be the pattern at the 64 border posts around Nigeria. Now that they had been withdrawn there might be a change in the position.

Many women traders from Nigeria were seen visiting to familiarise themselves with what used to be their trading spots but strictly not for buying as at now. According to a market woman from Mushin interviewed, they were there to feel the pulse of the market.

Another factor that may slow down the movement of people through the borders is the lack of currency exchange facilities at the precinct of the borders.

The absence of banks may make currency exchange by traders or travellers very difficult. Since travellers are likely to find it easier changing their currencies at border points rather carry them about, said an official at the border.

Naira at the Benin Republic sector of the border, as at last week, was

being changed for 100 CFA. Though essential commodities are available at both the Seme and Ifuyintedo markets, the flow into Nigeria through the posts have been minimal because travellers are only allowed small quantities as personal effects. However, the number of check points on the roads gave the impression that smugglers never use the legal routes.

Motor vehicles movement were restricted to only those with the requisite and current papers for crossing.

It was not unusual to see many vehicles that could not make the journey being turned round at the posts by officials.

A spectacular contrast between the two border posts was that at the Seme border the classes of people that were seen crossing could be put as high and middle because they looked sophisticated and coming in cars whereas the opposite is the case at Idiroko border

post.

All those seen crossing at the Idiroko post were petty traders seen carrying their small possessions on their heads, an indication first, that they came in commercial vehicles, secondly, these vehicles for lack of requisite papers could not cross from the other country which meant that the travellers had to track across to the otherside to continue their journeys.

Both the immigration and customs officials at the border posts refused to be interviewed on the business activities going on around the border posts.

All they offered was that one should observe movement of people and draw conclusions.

It is understood that since the reopening of the border, activities of traders at the Idiroko end has diminished due to the strict checking embarked up on by customs officials.

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CSO: 3400/1510

NIGERIA

DISTRIBUTION OF IMPORT LICENCES IN AGRO SECTOR

Kaduna NEW NIGERIAN in English 28 Mar 86 p 16

[Text]

IMPORT licences for firms under the agro sector have been released by the Federal Ministry of Trade in Lagos.

In all, about 1,085 firms benefited from the ministry's approval for this year's import licences.

Out of the total recipients were 227 poultry/feedmill firms, 230 agricultural machinery and chemical firms, 217 food processing companies, 197 bakery and confectionery organisation, 82 soft drink companies and 31 breweries.

Others include 40 fishing trawlers, 27 manufacturers of baby food and dairy products, 20 flour mills, 12 distilling industries and two tobacco companies.

In a circular dated March 21 releasing the import licences to state governors through their liaison offices in Lagos, the ministry said in consonance with the previous announcements on the release of licences to successful applicants, the governors should ensure that the licences were released to the applicants with

despatch.

The circular further said the beneficiaries were to produce the original 1984 tax clearance certificate and certificate of incorporation before licences could be released to them.

Other documents requested by the circular include a copy of the acknowledgement receipts received when import licence application was submitted in 1985 by individuals and a copy of the treasury receipt for the payment made when such import licence application was submitted.

The ministry, however, directed that all complaints on the issuance of 1986 import licences should be made to the respective state of collection which in turn should forward relevant ones to the ministry in Lagos.

It warned that no complaint would be entertained unless it was channelled through the state where applicants collected their import licences and that such complaint should be made on or before May 15 this year.

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CSO: 3400/1507

NIGERIA

ECONOMIC RECESSION BLAMED ON INADEQUATE FOREIGN INVESTMENT

Lagos BUSINESS TIMES in English 31 Mar 86 p 9

[Article by Harold G. O. Osuagwu]

[Text]

THE country is now in the fifth year of its economic recession and the end does not seem to be in sight. It was believed that the economic recession was caused by oil glut, mismanagement of foreign exchange reserves, and public funds and excessive government recurrent expenditure.

Drastic economic measures were embarked upon since 1982 to restore prosperity to the economy. The measures included outright banning of importation of certain goods, placing many other imports under license which led to starving many industries of much needed raw materials.

Many civil servants lost their jobs in order to reduce

public expenditure, others had their salaries reduced. Substantial amounts of money were recovered from former politicians and civil servants who unjustly enriched themselves through 'kick-backs, bribery, embezzlements and other corrupt practices. The country also embarked on intensive agricultural production in order to achieve self-sufficiency in food production.

After four years (1982-85) of applying various austerity measures by three different governments, we were successful in exercising effective control on our foreign exchange reserves during the period 1984-85 (See Table 1).

However the measures adopted brought untold hardships to many people in

TABLE 1 FOREIGN EXCHANGE RESERVES

Year	Inflow	Budget	Allocation	Difference Inflow and Allocation
1981	12.9	12.5	15.3	- 2.4
1982	10.0	9.6	12.7	- 2.7
1983	8.4	7.2	10.9	- 2.5
1984	9.2	8.0	8.6	+ 0.6
1985	10.4	10.3	8.5	+ 1.9

Source: 1986 Federal Budget.

We were also able to see substantial improvement in the flow of oil revenue; as shown in Table 1, as well as in food production.

the country. There was a drastic lowering of the peoples' standard of living, many people were unemployed and many others were either retired, retrenched or terminated. Many factories were closed down due to lack of imported raw materials and some others operated on 30 - 40 per cent capacity. Essential commodities were unavailable to many people.

Inflation was so high that in 1985, government aimed at reducing it to 30 per cent level. The country's productive capacity fell to its lowest level since 1960 and as a result the GDP fell by 14 per cent in 1984 from its 1981 level. In addition, the personal incomes of many workers were reduced by 4 - 15 per cent.

The 1986 Budget is not expected to perform any miracles in bringing the recession and its hardships to an end. This is because, while it recognised the problems in the economy, it did not make adequate provisions to increase investments in the economy and reduce the inflation.

Rather, it adopted measures that will discourage investments such as the 30 per cent import levy and the excessive taxes on profits and dividends.

What then is the solution to our problem? How can we get rid of the economic recession in the shortest possible time? I believe, the Keynesian theory with suitable modifications provides a useful solution to our problem.

According to Keynes, the total income for a country depends on the level of employment of its human and material resources. The rate and level of employment depend on the aggregate demand for goods and services.

Aggregate demand is a function of the propensity to consume and the volume of investments. Keynes assumed the propensity to

consume to be relatively stable and therefore the volume of investment was the most important factor influencing the national income. He therefore recommended substantial increase in the volume of investments during a period of recession in order to restore the economy to prosperity.

We believe, what the Nigerian economy needs to recover from the untold hardships of recession is substantial increase in the volume of investments in the economy, increase in the consumption expenditure and a drastic reduction in the inflation.

The volume of investments in the economy is most inadequate. Between 1970-1985 the volume of investments in the economy was rarely 50 per cent of the planned investment targets in our national development plans.

The highest investment was an average of ₦5.9 billion per year between 1975-1980. Our estimated investment needs was ₦16.8 billion per year. We had an investment gap of ₦10.9 billion per year. During the economic recession of 1982-85, the investment gap will of course exceed the ₦10.9 billion.

Therefore, to restore the economy to prosperity in the shortest time, we recommend the following three Keynesian oriented Nigerian Approach.

★ Increase the volume of investments in the economy by 100 per cent of its 1980 average level of ₦5.9 billion. This calls for investment of approximately ₦11 billion in 1986.

★ Increase the consumption expenditure to 100 per cent of its 1980 level.

★ Drastic control of inflation to a manageable level of 5 - 6 per cent.

The big question is how feasible are these recommendations. The investment target of \$11 billion can be financed with resources from the governments of the federation, the private sector and foreign investors.

It will only call for changes in existing policies to encourage massive investments in the productive sectors of the economy.

Control of inflation to a 5-6 per cent level is possible as our experience from 1977 to 1979 during the Obasanjo regime shows. Government anti-inflation measures including price and wage controls, and control of money supply succeeded in reducing the inflationary rate from 23.9 per cent in 1976 to 9.9 per cent in 1980.

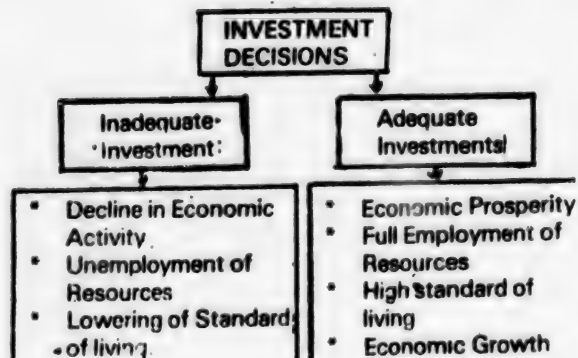
The advantages of the massive investments programme include immediate increase in the country's productive capacity. More goods and services will be produced and the GDP will rise.

In addition, employment opportunities will increase and more people will be employed. Personal incomes will also increase due to increased employment opportunities. Incomes of other factors of production will also increase such as profits, interest payments and rents. Tax revenues will also increase. It will also facilitate technological development and growth of the economy.

Finally, we submit that inadequate investments in the Nigerian economy is one of the major factors hindering its recovery from the four-year old recession.

Other factors include reduced consumption expenditure and the high rate of inflation.

It is, therefore recommended that government policies should be directed towards substantial increase in the volume of investments in the productive sectors, increase in the consumption expenditure and effective control of inflation.



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CSO: 3400/1507

NIGERIA

CHANGES ANNOUNCED IN LOCAL GOVERNMENT ADMINISTRATION

Kaduna NEW NIGERIAN in English 12 Mar 86 p 1

[Article by Nkem Agetua]

[Text] **LOCAL governments in the country will now be managed by a five-man local government council, instead of the present sole administrator system.**

Commodore Ebitu Ukiwe, Chief of General Staff, said yesterday at the national conference of commissioners for local governments in Enugu that the five members to be appointed by the state governor would include the administrator who would be appointed on a full-time or part-time basis and four other people.

He said each local government would in addition have a secretary to the council who would be the administrative head of the local government.

On local government functions, the Chief of General Staff said that subject to the

provision of the fourth schedule of the constitution, local governments should seriously address themselves to such things as maintenance of rural inter-communal roads, provision of good drinking water, stimulating various community efforts in areas of provision of electricity and dispensaries.

Commodore Ukiwe then disclosed that a nine-man committee, under the chairmanship of Mr. E.A.O. Oyeyipo of Ahmadu Bello University (ABU) Zaria, had been set up to produce a model scheme of service for all cadres of local government employees.

The Chief of General Staff said the draft model when ready, would be considered by the National Council of Ministers.

He said it was expected that with a scheme of service, local government workers throughout the country would be assured of career progression, thus enabling the local governments to attract high calibre manpower needed for their services.

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CSO: 3400/1499

NIGERIA

SHAGAYA CALLS FOR CONSULTATIVE BODY ON RELIGION

Kano THE TRIUMPH in English 22 Mar 86 p 1

[Article by Shehu Dauda]

[Text]

THE Chairman of the Presidential Committee on the Implications of Nigeria's full membership of the Organisation of Islamic Conference (OIC), Col. John Shagaya, has said that his committee conducted its assignment in an atmosphere of friendship.

Speaking while presenting the report of the committee to the Chief of General Staff, Commodore Ebitu Ukiwe, Col. Shagaya said friendship across religious lines blossomed in the course of the committee's work.

Col. Shagaya who is also the Minister of Internal Affairs called for the establishment of a permanent consultative forum on religion.

He said the committee strongly believed that the hope, fears, suspicions and grievances of Nigerians on religious matters could be adequately taken care of by

the proposed forum.

Col. Shagaya added that the committee also believed that the inter-state religious tolerance that has been Nigeria's pride for generations would remain the country's hall mark.

He thanked the government for giving him and his colleagues the opportunity to serve the nation in that capacity.

The President, Major-General Ibrahim Babangida, pledged in an address read on his behalf by the Chief of General Staff Commodore Ebitu Ukiwe, that the comprehensive report of the committee would be carefully studied by the Federal Government.

General Babangida noted with delight that the committee's deliberations have amply demonstrated its members' love and concern for the continued

peace, stability and progress of the country.

He was particularly impressed that inspite of the touching and personal nature of religion to all Nigerians, the committee, as a group and as individuals, have shown that "we can continue to place the national interest above everything else".

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CSO: 3400/1499

NIGERIA

REACTION TO SOKOTO STATE EDICT ON ISLAMIC TEACHING

Chief Imam Calls Edict Repressive

Kaduna NEW NIGERIAN in English 24 Mar 86 pp 1, 15

[Article by Ibrahim Salihu]

[Text] The Chief Imam of the Farfaru Juma'at Mosque, Sheikh Abubakar Jabril, has said the preaching edict currently in force in Sokoto State was repressive, particularly on Islam.

He said there was absolutely nothing wrong with its provision demanding that a preacher should submit himself for interview before the preaching board.

The Imam said in his Juma'at sermon last Friday that after a preacher must have passed the interview, he would be given a licence but nevertheless he would have to obtain police permits before proceeding to preach.

He said the permit could be withdrawn without notice if a group of drunkards or non-conformists felt the preaching should not hold in or near their vicinity.

Sheikh Abubakar wondered what the government has been doing about some religious groups who went about knocking at people's doors in the name of preaching. He said "a preacher of Islamic beliefs suffers indignities more than an outcast in this state."

The Imam said Muslim preachers were not better off in Anambra because even though they do not believe in the Koran, they believe in the constitutional provision of freedom of worship but "here it appears we don't believe in either."

He also said the Murtala Muhammad Airport Mosque appeal fund failed to get the targeted one million Naira because no contract would come out of it "as a repayment for favour done."

He lamented that Muslims had gradually been abdicating their responsibilities to Islam.

Migrant Teachers Flee Country

Lagos DAILY TIMES in English 24 Mar 86 p 17

[Text] Hundreds of migrant islamic scholars and their pupils in the Sokoto State during the week hurriedly closed down their mobile schools and fled.

Their furried departure followed the spread of news that members of the State Committee of Migrant Islamic Teachers and Pupils were going round the state to locate their bases.

The fleeing scholars and their pupils were also told that the committee members would during their state-wide tour inspect the prevailing living conditions of the pupils as well as obtain their home addresses.

In an interview with the Daily Times at some border towns, three spokesmen of the fleeing scholars said they were all heading to unknown destinations in the Niger Republic where they intended to stay "until matters cool down in Nigeria."

Asked about the fate of their abandoned wards, the scholars simply said "Allah would take good care of them" adding "what we are now concerned with is how to get out of the country into Niger Republic without being detected."

They then appealed to parents, who entrusted them with the safety and security of their children, to start searching for their [word indistinct].

The scholars however refused to comment on why they should be fleeing the country since they were not charged with committing any offence.

Meanwhile, the Sultan of Sokoto, Alhaji Sir Abubakar, last weekend declared his total support for the state government in the task of checking the social menace posed to the community by migrant islamic teachers and called on the moslem community in the state to co-operate fully with the state government in executing the [word indistinct].

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CSO: 3400/1509

NIGERIA

EASTERN NAVAL COMMAND ACQUIRES EIGHT PATROL BOATS

Kaduna NEW NIGERIAN in English 11 Mar 86 p 17

[Text] THE Eastern Naval Command Headquarters in Calabar has acquired eight patrol boats.

This was disclosed by the Chief of Naval Operations, Commodore O.P. Fingesi.

Commodore Fingesi who paid a courtesy call on the Cross River State Military Governor, Colonel Dan Archibong said the boats are specially designed to ply the inland creeks where according to him smuggling and bunkering activities are carried out on a large scale.

He told the governor that the boats being supplied to the Navy in the state were part of federal government efforts to curtail incidence of smuggling and bunkering in the country.

The chief of naval operations said he was touring units under the eastern naval command to assess their operational state with a view to strengthening them for more effective perfor-

mance.

Governor Archibong commended the navy for its anti-smuggling operations in the state and reminded commodore Fingesi that many indigenes of the state are fishermen who sometimes carry some quantity of fuel for their fishing boats.

He advised that the joint armed forces patrol team should exercise great care not to mistake such fishermen with some quantity of petrol for oil bunkerers or smugglers.

There should be effective control of the patrol team in order to enhance the good image of the armed forces, the governor stressed.

He also called for help from the Navy towards reorganising the Opoto Boat yard the only federal government project in Ikot Abasi, an oil-producing area so that the community could benefit from the boat yard.

/13104

CSO: 3400/1502

29 April 1986

NIGERIA

COMMODORE NYAKO ON NAVAL READINESS, TRAINING EMPHASIS

Lagos DAILY TIMES in English 14 Mar 86 p 1

[Text]

THE Nigerian Navy is sufficiently equipped to block the attack of any external aggressor.

This was stated in Lagos yesterday by the Flag Officer Commanding the Western Naval Command, Commodore Murtala Nyako, when he visited the Daily Times.

Speaking to Divisional heads and top executives of the Daily Times, Commodore Nyako said "with the number and quality of ship we have at the moment, no Navy from any part of the world can take us for granted."

He said with adequate maintenance of equipment and excellent management of resources, the Nigerian Navy could repel or deter enemy ship which comes within its territorial waters.

He said the Navy also had a functional air wing to complement sea manoeuvres and assist in deployment of naval personnel and equipment."

Commodore Nyako disclosed that the Navy was now concentrating on the training of its manpower so as to ensure continuous combat readiness.

Stressing the need for training, he said the Nigerian Navy which will celebrate its 30th anniversary in May was still young in terms of age but, had come a long way as an efficient and effective military machine.

On the achievements of the Navy, in policing our waters, Commodore Nyako said his Command had done a lot to reduce the menace of smugglers, illegal bunkerers and pirates in the last two years.

He said through the vigilance of naval patrolmen, a lot of foreign exchange which could have been lost to illegal bunkerers have been saved.

Earlier, his host, the Managing Director of Daily Times, Mr. Segun Osoba, commended Commodore Nyako as a military officer who had always resisted the attractions of political office so as to remain professional.

Mr. Osoba recalled that at a time when political office seemed to be taking the better part of men in uniform, Commodore Nyako requested to go back to military formation from his exalted office as the Governor of Niger State.

/13104

CSO: 3400/1502

NIGERIA

AIR FORCE STILL HANDLES PRESIDENTIAL FLEET

Lagos DAILY TIMES in English 19 Mar 86 pl

[Text] **T**HE Presidential fleet is still being handled by the Nigerian Air Force Chief of Air Staff, Air-Vice Marshal Ibrahim Alfa, said in Lagos yesterday.

"Up till now, we are flying the President and we maintain the aircraft", he said.

He explained that since the President did not fly often, the Air Force considered it a waste to tie down the various aircraft and the crew".

Air-Vice Marshal Alfa explained that the nation's air space needed more security at this time because "we have now a war going on in neighbouring Chad and we have started mobilising our men".

On the participation of Nigeria Airways personnel on the Presidential fleet, Air-Vice Marshal Alfa confirmed that the national airline would now have a hand in the handling of the

Presidential fleet.

On the level of Nigeria Airways involvement, he said: "We are still working on it, we would not want to load them with the things they cannot do".

He explained that some Nigeria Airways personnel would have to be retrained before they could fly the Presidential fleet.

On the membership of Air Commodore Lawal at the Armed Forces Ruling Council, Air Vice Marshal Alfa said Air Commodore Lawal was still a member of the AFRC. "To be a member of the AFRC, there are a lot of things that go with it".

On the allegations made by Professor Dupe Olatubosun against Governor Yohanna Madaki of Gongola State, Air Vice Marshal Alfa explained that as far as the AFRC was concerned, the matter was still at allegation stage.

/13104
CSO: 3400/1504

NIGERIA

AIR FORCE UNIT MOVING TO MAIDUGURI TO PROTECT AIR SPACE

Kaduna NEW NIGERIAN in English 21 Mar 86 pp 1, 3

[Article by Daniel Iifato]

[Text]

A UNIT of the Nigeria Air Force would be moved to Maiduguri by the weekend to protect our air space in the border area with Chad.

Chief of Air Staff, Air Vice-Marshal Ibrahim Alfa, told newsmen in Makurdi yesterday that the move became necessary because of the war in Chad.

He added "Nigeria cannot pretend to be at peace when its neighbour is involved in a war."

The chief of air staff also said by the time the NAF was able to establish stations in Yola, Calabar and Sokoto, our air

space would be properly protected.

He said the NAF had suspended the purchase of arms and equipment because of our economic problems.

Air Vice-Marshal Alfa said after the bomb blast in Makurdi late last year, he set up a panel to investigate the circumstances that led to the incident. He added that he had just received the report of the panel and was looking into it.

The Chief of Air Staff also said he would release the names of officers of the force that have been promoted. He explained that the promotions had to be made because affected officers were long over-due.

Earlier, Air Vice-Marshal Alfa

had told officers and men of the Tactical Air Command, Makurdi that their primary responsibility was to defend the territorial integrity of the country.

He urged them to forget about the abortive coup plot and rededicate themselves to the service of Nigeria, since the country had spent so much on each of them.

Air Vice-Marshal Alfa also warned them to always strive to justify their rating as "custodians of the most powerful fighting force in black Africa".

He appealed to them to continue to live with their civilian counterparts as members of the same family, and warned that any air force personnel that behaved to the contrary be dismissed.

/13104

CSO: 3400/1504

NIGERIA

REORGANIZATION UNDERWAY AT GENERAL STAFF HEADQUARTERS

Kano THE TRIUMPH in English 30 Mar 86 p 2

[Article by Shehu Dauda]

[Text] **GENERAL re-organisation and massive movement of staff is going on at the General Staff Headquarters, Dodan Barracks, Lagos.**

Under the re-organisation, some departments at the GHQ have been given up to next Wednesday to move out of the State House.

A reliable source at the State House informed *The Triumph* that the affected departments will include the General Staff administration and the office of the Principal Staff Officer (State Administration).

Our source further revealed that the office of the Military Public Relations Officer has also been directed to move out.

All the affected departments were to move to the vacant apartment in the National Assembly complex.

The Triumph was reliably informed that both the offices of the President and that of the Chief of General Staff are to remain at the Dodan Barracks.

The Protocol Division will also not be affected. Others to remain are the offices of their Aide-De-Camps, Chief Press secretaries, military assistants and the press centre where State House correspondents normally stay.

It was not immediately known why the re-organisation is being carried out because there are no official statements to that effect but observers believed that it was part of a new security arrangement.

Meanwhile, the State House is undergoing renovation while new structures are springing up.

However, work on the new ultra-modern State House Press Centre has come to a halt because the Nigerian Union of Journalists (NUJ) is yet to nominate the veteran journalist who will perform the traditional foundation-laying ceremony of the complex.

It would be recalled that when the National Executives of the NUJ visited President Babangida in January this year he urged them to choose the person who will perform the ceremony.

NIGERIA

BRIEFS

NEW NAVAL BASE COMMISSIONINGS--The Naval bases at Warri and Sapele in Bandel State are to be commissioned soon. The Flag Officer Commanding the Western Naval Command, Commodore Murtala Nyako, disclosed this while exchanging views with the State Governor, Lt. Col. John Inieger during a courtesy call at the Government House, Benin, on Thursday. Commodore Nyaklo told the governor that he was in the state to assess the requirements of the bases. He added that the Navy had established its presence in the state to check the activities of smuggling and other crimes in the riverine areas. [Text] [Kaduna NEW NIGERIAN in English 10 Mar 86 p 9] /13104

MUSLIM SECTS CLASH IN JOS--Anti-riot police on Friday seized two prominent mosques in Jos to avert what would have culminated in a bloody clash between two moslem sects. The mosques are the Central Mosque, at Masalachin Juma's Street, and the Yantaya mosque, at Dilimi, Jos. The trouble had centred on superiority clashes between the two sects - Tarikas and Izalas. Sources said that all along, members of the Tarikas sects said they were superior to the Izalas who were derogatorily being referred to as pagans and were never allowed to preach during worship. But during last weekend's worship, members of the Izalas sects, asserted their right to preach and took over the microphone at the Yantaya mosque, Dilimi. It was also gathered that before the intending preacher could say a word members of the Tarika attacked him and forcibly removed the microphone from him. In the confusion that followed, one of the worshipers was stabbed. The source further stated that before the ensuing free-for-all fight could get out of hand, the police who had been anticipating trouble moved in and took over the two mosques. When contacted on the incident, the police public relations officer, (DSP) Mr. Smart Irabor, said the police took over the two mosques to avoid a break-down of law and order. [Text] [Lagos DAILY TIMES in English 10 Mar 86 p 2] /13104

PERMANENT SECRETARY APPOINTMENTS--Four Federal permanent secretaries have been appointed by the government and one more was redeployed. A cabinet office statement in Lagos gave the names of the new permanent secretaries as H. Ahmadu, External Affairs and J. A. Olatunji, Statutory Corporations and Agencies Department, Cabinet Office. Others are S. I. Ocheja, Economic Department, Cabinet Office and Z. M. Kazaure, Service Welfare and Manpower Development Department of the office of the Head of the Federal Civil Service. The government also approved the deployment of Mrs. I. A. Olukoya as permanent secretary, Federal Ministry of Science and Technology pending the return of Miss Atta from UNESCO. [Text] [Kaduna NEW NIGERIAN in English 13 Mar 86 p 16] /13104

CRUDE OIL FOR SIERRA LEONE--The current chronic fuel shortage in Sierra Leone will soon be alleviated by the arrival of 20,000 tonnes of crude oil from Nigeria, a government statement said on Tuesday. It did not give any details of the terms under which Sierra Leone would take delivery of the cargo but said that refined oil would be distributed in that country from March 28. It said that the government of Sierra Leone was doing everything in its power to end a long-standing fuel shortage which has become chronic during the past three weeks. Bus services from the provinces to Freetown, and within the city have been curtailed and the limited petrol available has been rationed by garages on government orders. The shortage resulted in a flourishing black market for petrol. Sierra Leone's President Joseph Momoh visited Nigeria last month and discussed a deal involving the exchange of his country's iron ore for Nigerian oil. [Text] [Lagos DAILY TIMES in English 20 Mar 86 p 24] /13104

'NIGERIANIZATION' OF PIPELINES COMPLETED--The Nigerian National Petroleum Corporation (NNPC), has completely Nigerianised the operation and management of the country's network of pipelines and storage depots which until recently, part of it was in the hands of foreign personnel. The corporation's managing director, Mr. Aret Adams, said in the latest edition of the NNPC News that 1985 saw a final exit of the last batch of foreign back-up personnel and management. Said Mr. Adams: "It is our expectation that there will be the sustenance of an uninterrupted flow of petroleum products throughout the country this year." However, on the general engineering work of the corporation this year, the managing director said: "We plan to pursue the intensive development of our in-house engineering expertise by drastically cutting down on the use of external engineering contracts and expertise, and relying to a very large measure on our in-house capabilities." The country's three refineries at Port Harcourt, Warri and Kaduna would maintain their required levels of daily production and would be able to meet the requirements of the domestic market. [Text] [Lagos BUSINESS TIMES in English 10 Mar 86 p 1] [Article by Ndu Ughamadu] /13104

STUDENTS HELD FOR AMMUNITION--The police in Jos said that they had arrested two students of the University of Jos for unlawful possession of 249 rounds of live ammunition. In a release in Jos, the police named the students as Fidelis Aigbogun, political science, and Phanel Maiha, architecture. They said that Plateau Police Command was looking for a senior army officer whose name was being withheld in connection with the incident and appealed for assistance from the public. [Text] [Lagos DAILY TIMES in English 21 Mar 86 p 24] /13104

HUNGARIAN FOOD PRODUCTION CONTRACT--A Nigerian private firm - Femi Oshodi Associate - last week signed a contract with an Hungarian firm for a scheme, designed to utilise the growing multitude of Nigeria's unemployed labour force in large scale food production. The scheme tagged, "The land Army" would seek to introduce to Nigeria "a distinct scientific mass food production method already perfected by the Hungarians. A statement in Lagos signed by the Research and Media Relations Officer of the company Mr Tony Alenkhe said the programme would be preceded by a five-day workshop to be held in Lagos. It said the workshop would be conducted by Femi Oshodi Associate and CVL Consultancy Limited with technical support from Agrober-Agroinvest of Hungary. The statement said already the federal and state government agencies, parastatals, business organisations, financial institutions as well as individuals have indicated their desire to participate in the workshop. [Text] [Kaduna NEW NIGERIAN in English 12 Mar 86 p 11] /13104

29 April 1986

NEW INFANTRY SCHOOL DIRECTOR--Brigadier Sani Sami, Provost Marshal of the Nigerian Army, has been appointed the new director of the School of Infantry, Zaria. Brig. Sami replaces Brig. Malami Nasarawa, who is still being held for complicity in last December's abortive coup plot. According to Lt.-Col. Jibunoh, Director of Army Public Relations, Col. Lawrence Uwumarongie replaces Brig. Sami as Provost Marshal, Army. Military sources told the News Agency of Nigeria (NAN) yesterday that the military administrator for Apapa Port, Col. Philip Onyekwelu, has been appointed Commander 13 Infantry Brigade in Calabar as part of measures to withdraw personnel from port appointments. [Text] [Kano THE TRIUMPH in English 18 Mar 86 p 16] /13104

FORMER POLITICIANS DENIED LOCAL GOVERNMENT ROLE--People who took active or overt part in partisan politics between 1979 and 1983 will not be elected as councillors in the new Local Government System. This was contained in a Cabinet Office statement issued in Lagos yesterday after the end of the National Council of State meeting which deliberated on the new local government set up in the country. According to the statement, a chairman and four other councillors are now to run the affairs of local government councils. It said those to be appointed councillors must be people of proven ability and integrity. The statement said the council meeting which was presided over by President Ibrahim Babangida decided that the chairman of the local government area will be a public officer on a full time basis and will be an indigene of the local government area. According to the statement the four other councillors, one of whom must be a woman would be on part-time basis order to ensure effective discharge of their duties they are required to be resident in the local government area. [Text] [Lagos DAILY TIMES in English 27 Mar 86 p 24] /13104

RELIGIOUS GATHERINGS BANNED IN IREPO--All forms of unauthorised public religious assemblies have been banned in Irepo Local Government area of Oyo State. According to a public notice just released in Kiri, no open air service on anything similar or analogous to such should be carried out without prior written application to the divisional police or sole administrator who is charged with the responsibility of maintaining law, order and good government in the area. Furthermore, the notice went on, "No religious organisation must post any bill in any form or shape henceforce and there should not be any circulation of religious tracts documents within and outside such religious organisation that may be regarded as threat to the public peace or to the annoyance of any other religious group, sect or denomination". [Text] [Lagos DAILY TIMES in English 26 Mar 86 p 12] /13104

PRICES SOAR IN KADUNA--Prices of essential commodities have increased by about 30 per cent in Kaduna over the last three months. A market survey conducted at the Kaduna Central Market showed that a medium packet of Omo that formerly sold for 80K now sells for N1.40k, while a large packet size of the product sell for N7.00 as against its former price of N5.00. A tin of Peak milk has also increased from 40k to 70k. A medium packet of sugar that formerly cost 60k has also increased to N1.20 while a small tablet of lux soap is now sold at 85 kobo as against 40 kobo. The Daily Times also discovered that while the

prices of these commodities have been on the increase, prices of agricultural products fell within the same period. A measure of rice which previously sold for N5.00 has now fallen to N2.50 while the same, beans that cost N4.00 has gone down to N2.00. It is possible that the fall in prices of these agricultural products is not unconnected with the good agricultural harvest recorded this year. [Text] [Lagos DAILY TIMES in English 31 Mar 86 p 2] /13104

NAVAL OFFICER PROMOTIONS--Governor Michael Aghigbe and seven other naval officers have been promoted naval captains. Others elevated in the exercise are Capt. Festus Porbeni, Nigerian Ambassador to Equatorial Guinea; Isaac Ariola, director of administration at the Nigerian Defence Academy; Rufus Eytayo, commander of NNS Aradu, the Nigerian Navy flagship; and Jerome Peters, fleet technical officer in the Nigerian Navy. Commanders Chris Rennaiyer, director of naval electricity; W.O. Arokodare and A. Davis were also promoted to the rank of navy captain. [Text] Lagos DAILY TIMES in English 20 Mar 86 p 12] /13104

NEW AIR FORCE UNIT PLANNED--A unit of the Nigerian Air Force is to be stationed in Maiduguri to monitor and police the country's airspace and border with Chad. The Chief of Air Staff, Air Vice Marshall Ibrahim Alfa, disclosed this in Makurdi during a one-day visit to Air Force units in Benue State. He explained that this was to ensure the non-violation of the country's airspace by any of the parties in the Chad dispute. He urged the officers and men of the unit to make hard work, dedication and loyalty their watchword in the conduct of their duties. The Chief of Air Staff implored the officers to disregard the rumour that has been going on that the foiled coup was hatched in Makurdi and assured them that their loyalty was not in question. He however warned that the air force was like a family and anyone who cannot conform with the norms and ideals of the family would be shown the way out. [Text] [Lagos DAILY TIMES in English 22 Mar 86 p 24] /13104

AIR FORCE SUSPENDS PLANE PURCHASES--The Nigerian Air Force (NAF) has suspended the purchase of new aircraft, the Chief of Air Staff, Air Vice-Marshal Ibrahim Alfa, said in Makurdi yesterday. He said that rather, spare parts would be procured to maintain the available planes. Air Vice-Marshal Alfa told newsmen yesterday in an interview after addressing officers and men of Tactical Air Command in Makurdi, Benue State. Alfa explained that the present state of nation's economy had made it difficult for NAF to add more aircraft to its fleet. He also said that a unit of the airforce has been stationed in Maiduguri to forestall any crisis at the border, especially now that there was war in Chad. Answering reporter's questions, the airforce chief said that the promotions recently announced by the armed forces were overdue. He explained that what the Babangida administration had done was to elevate those whose promotions were suppressed by previous regimes. Alfa further said that the airforce was compiling its own list of those who deserve promotion. He said that when completed it would be presented for confirmation by the Armed Forces Ruling Council. [Text] [Lagos DAILY TIMES in English 21 Mar 86 p 2] /13104

BREAD, FOOD PRICES INCREASING—Prices of loaves of bread in Niger State may rise by 20 per cent with effect from today. Sources close to the Association of Master Bakers and Caterers of Nigeria (AMBCN) Niger State branch told the New Nigerian that the increase in prices of bread in the state is inevitable in view of high cost in ingredients needed for baking bread. The sources said a 30-kobo loaf will now cost 35 kobo, that of 50 kobo will now cost 70 kobo, while one of N1.20 will now cost N1.40. Prior to the proposed increase scarcity of bread had been noticed in some parts of the state. When contacted, the Chairman of the state branch of AMBCN, Chief R.O. Orheva confirmed the proposed increase. He told the New Nigerian that decision to increase prices of bread was taken recently at a general meeting held in Minna. Chief Orheva said at the meeting the association resolved to increase the prices as a result of high cost of flour, sugar, baking powder, yeast and other ingredient. He said a bag of flour which formerly sold for 25 Naira now cost 75 Naira and a bag of sugar now cost 85 Naira in the open market instead of 35 Naira, while a carton of yeast now costs between 240 Naira and 280 Naira instead of 140 Naira. [Text] [Kaduna NEW NIGERIAN in English 10 Mar 86 p 9] /13104

CSO: 3400/1506

SOMALIA

BRIEFS

ITALIAN AID AGREEMENT--An agreement on economic cooperation covering the 1986-1988 period and amounting to 400 billion Italian lira was signed today by the SDR [Somali Democratic Republic] and Italian Governments at the Ministry of Foreign Affairs in Mogadishu. Under the agreement, the Italian grant to Somalia will be used in the 3-year period in such development projects as animal husbandry, increasing the water supply in Mogadishu, reconstructing Mogadishu airport, promoting higher education, technical assistance, and other projects. The agreement was signed by Foreign Minister Dr Abdurahman Jama Barre, for Somalia and by deputy minister responsible for economic cooperation in the Italian Foreign Ministry, Mr Mario Rafaeli, on behalf of Italy.
[Excerpt] [Mogadishu Domestic Service in Somali 1115 GMT 23 Mar 86 EA] /9599

CSO: 3400/1421

TANZANIA

BRIEFS

COOPERATION AGREEMENT WITH ZIMBABWE--Harare: The Zimbabwe/Tanzania Permanent Joint Commission for Cooperation has ended its fourth session in Zimbabwe and both sides have expressed determination to strengthen cooperation between the two countries. The joint commission adopted a program of action for 1986/87 and the heads of delegations signed a cooperation agreement. The Zimbabwe news agency said the agreement was signed by Zimbabwe Minister for Information, Posts, and Telecommunications Nathan Shamuyarira, and the Tanzanian minister of state in the presidents office, Professor Kighoma Malima. The commission noted that the world recession, South Africa's destabilization policies, and adverse weather conditions continued to depress the economies of both countries. Prof Malima said both countries had to dedicate themselves to the effective implementation of the program [words indistinct]. The fifth session of the Joint Commission will be held in Arusha during the first half of next year. [Text] [Dar es Salaam External Service in English 1900 GMT 22 Mar 86 EA] /9599

CSO: 3400/1421

SOUTH AFRICA

ANC MEMBERS BANNED FROM BOTSWANA DESCRIBED AS LEADING FIGURES

Cape Town DIE BURGER in Afrikaans 8 Mar 86 p 3

[Article by Political Editorial Staff: "May Impair Activities--Expelled ANC's 'Head' of Network"]

[Text] The ANC elements which were ordered yesterday by President Quett Masire of Botswana to leave his country from the "head of an underground ANC network" in Botswana, according to South Africa's intelligence. Intelligence circles told DIE BURGER yesterday that this expulsion ought to seriously damage the functioning of the ANC network in Botswana. It was said, however, that it remains to be seen whether the "decapitation" is going to completely bring the ANC's activities in the country to an end. Sapa-Reuter reports from Gaborone that two representatives of the ANC were withdrawn from Botswana because "their safety can no longer be guaranteed," President Masire of Botswana announced yesterday. He said the decision was made by the leader of the ANC, Oliver Tambo, after talks with Botswana's minister of presidential affairs, Mr Ponatshego Kedikilwe, and President Kenneth Kaunda of Zambia. The ANC's news agency, Solidarity, is also going to be closed, it was decided.

It is learned that further diplomatic communication between South Africa and Botswana in the foreseeable future is in any case a strong possibility. South Africa has already provided quite a lot of intelligence to Botswana on the ANC network in that country. According to what was learned, this intelligence was "news" to Botswana's security services.

DIE BURGER was told by diplomatic circles yesterday that South Africa now, after President Masire's announcement, has a "firm understanding" with each of its neighboring countries about the use of their territory by anti-South African groups. In some cases, such as with Mozambique and Swaziland, it is in the form of firm treaties, while in other cases it is based on a clearly understandable agreement. It is expected that the ANC will later have a "diplomatic" or administrative presence in Botswana, but that no military operations by that organization will be allowed. That pattern already exists in Zimbabwe and Mozambique news from Gaborone. "Any developments of that nature, which promote peace and stability in southern Africa, are gladdening news," he said.

13084
CSO: 3401/111

SOUTH AFRICA

INITIATIVE ON KWAZULU, NATAL JOINT EXECUTIVE DISCUSSED

Cape Town DIE BURGER in Afrikaans 12 Mar 86 p 10

[Editorial: "A Natal Option"]

[Text] An important phase of a plan which is being watched with interest was reached with the submission to Mr Chris Heunis yesterday of a memorandum on a joint regional executive board for Natal and KwaZulu. The initiative of the Provincial Administration of Natal and the government of Chief Mangosuthu Buthelezi obviously has possibilities, or else the government would not have allowed it to progress so far. Its outcome may possibly have broader implications than just for the Natal KwaZulu area. It is not possible to be able to deliver judgment in these columns on the merits of the proposals as such at this stage, because the full particulars have not yet been made known. Nevertheless, there are positive elements insofar as the handling of the affair by the parties involved is concerned.

To begin with, the government's approach to the talks preceding yesterday's memorandum is of importance for constitutional talks as a whole. Some circles like to create the impression that the country, but especially the Blacks, are dealing with an adamant government which makes decisions in isolation and at the highest level and, without any understanding, forces them upon people. That view is disproved by the fact that the government did not totally reject the talks between Natal and KwaZulu at a stage when it was already clear that rather drastic proposals were possible. The minister's response yesterday that the Cabinet will probably not dally long before expressing itself on the recommendations also proves a willingness to seriously approach all political proposals submitted to it through the right channels.

The Natal initiative scores points for negotiation politics at lower governmental levels--as a viable alternative to the option of violence of the ANC and other radicals. The Natal Executive Committee and chosen black leaders consulted with each other on a matter of local community interest and reached a broad tentative consensus. To what extent this will meet the become known and further talks with more interested parties take place in early April.

13084
CSO: 3401/111

SOUTH AFRICA

GOVERNMENT PROCEEDING WITH CHANGE IN INFLUX CONTROL

Cape Town DIE BURGER in Afrikaans 13 Mar 86 p 13

[Article by Political Editorial Staff: "ID Documents, Influx Laws - State Machinery in Highest Gear"]

[Text] The state machinery to abolish existing influx control measures and issue millions of new identity documents to Blacks is in highest gear. The Department of Constitutional Development and Planning has already progressed far in drafting a white paper on the abolishment of those measures. A draft law on identification -- dealing with the new uniform identity document for all South Africans -- will probably be published next week.

President P. W. Botha's announcement on 31 January in his opening speech in parliament that the influx control measures are going to be abolished because the present system is too expensive and antiquated, and his subsequent assurance in advertisements that it would be removed from the law book by 1 July, have caused especially the Department of Constitutional Development and Planning and the Department of Internal Affairs to work practically feverishly to get everything ready before that date. The plan of action includes, among other things:

- Drafting a white paper on doing away with influx measures, which will be submitted to parliament.
- Drafting legislation on orderly urbanization which will apply to all population groups.
- Legislation to do away with the existing influx control measures.
- Legislation to make possible the issuance of new uniform identity documents for all population groups.
- Preparation to issue more than 15 million new identity documents to Blacks.
- A special publicity campaign to inform Blacks that, although the influx control measures are going to be abolished, they must still keep their current identity documents until they receive the new ones.

Task

A project team under the leadership of Dr Henk Fourie, deputy director-general of Constitutional Development and Planning, has already been working on the white paper for quite some time. Dr Fourie could not say when the task would be finalized or when the white paper would be submitted to parliament. The

draft law on identification, which will make provision for the new uniform identity documents for all population groups and which will probably be published next week, will be the start of an enormous task for the Department of Internal Affairs. It is estimated that between 15 and 16 million new identity documents will have to be provided to Blacks outside the independent states. The task may take several years. Among other things, it will mean considerable work for the State Printer because the printing of documents which contain personal information cannot be contracted out to the private sector.

Based

Economic factors will probably prevent Whites, Coloreds and Indians from also getting new identity documents now, as was initially planned. What will probably happen is that the identity document which is going to be issued to Blacks will be based on, or will be the same as, those that are now issued to the other population groups. Another possibility is that the new document which the Blacks are going to get will in future also be issued to the other population groups, but that it will not be necessary to exchange their existing identity documents for new ones.

13084

CSO: 3401/111

SOUTH AFRICA

MORE COLOREDS WELCOMED INTO ARMED FORCES

Cape Town DIE BURGER in Afrikaans 13 Mar 86 p 12

[Editorial: "Voluntarily and Openly"]

[Text] Thanks to the establishment of two new infantry units of a thousand men each, the 2nd SAKK [not further identified] Battalion and the Cape Regiment civilian militia unit, many more Coloreds are now getting the opportunity to do military service. Moreover, the Cape Corps School could this year accept many more applications, because Colored volunteers are being trained as junior leaders at the Infantry School at Oudtshoorn for the first time.

With those steps a gap is being filled which was evident in recent years from the large number of young men who were turned away because the Defense Force did not have the facilities to train them. It goes without saying that financial considerations, especially in a bad recession, are an important reason why many young men join the Defense Force. Still, this is not the only --and in many cases not the most important--consideration. Many want to do military service in order to serve and help defend their country, even if it means that they have to make the highest sacrifice. In spite of pressure placed on them from leftist quarters, intimidation and the dangers to which they are exposed, more and more young men are voluntarily and openly available for defending their country against attacks from abroad, against anarchy and the forces which want to tear down everything in order to make the country ungovernable. That speaks volumes. Another factor is the prestige which the Cape Corps has acquired over the years. Soldiers of the Corps have proven themselves some of the most formidable and toughest fighters in the world in skirmishes with terrorists on the border. Some have been killed or wounded in the conflict. There are great thanks and appreciation for their proud contribution.

The fact that Coloreds fight for South Africa's security along with Whites on the border plays no minor role in creating better attitudes among the country's population groups. The men in the Defense Force make a good example to others. The way which the Colored community has gotten in the new constitutional dispensation means that it has a greater co-responsibility to provide for South Africa's security. Although at this stage there is no right that they are enabled to do their part in greater numbers and with greater possibilities for promotion.

SOUTH AFRICA

EDITORIAL CRITICIZES COMMENTS BY PFP'S SUZMAN

Cape Town DIE BURGER in Afrikaans 14 Mar 86 p 14

[Editorial: "Spunklessness in PFP"]

[Text] Right on the heels of the resignations of Drs Van Zyl Slabbert and Alex Boraine because they no longer saw any use in working for change through parliament, Mrs Helen Suzman's letter elsewhere on that page reveals another example of the disconcerting sort of spirit that has a hold on the Progressive Federal Party. She objects to a statement in a recent editorial in DIE BURGER with reference to a speech that she made in Britain. There she was, among other things, sharply critical of the international campaign for sanctions against South Africa. She also warned that the ANC insists on nothing less than a total takeover of power, with distressing implications for certain acknowledged freedoms.

Our comment on that was that people ought to thoroughly take note of Mrs Suzman's warnings, but that it is too bad that her eyes started to open so late. Mrs Suzman now say she has been speaking out against sanctions for years; her eyes have been open for a long time to the dangers that would mean for the country. This is not what DIE BURGER was talking about in the first place. We pointed out that "if she and other members of her party had earlier romanticized the powers of destruction against South Africa less and presented the government less disdainfully," the country could perhaps have been spared quite a lot of misery.

How often has the PFP in the past warned against the consequences of an ANC takeover? What was continually done was to call up a spirit of resistance against the national government. The newest examples of that are the resignations of her former leader and Dr Boraine, who, by their conduct, tried to strike a blow at the parliamentary system and the whole negotiation process. Ironically enough, the PFP executive board of Mrs Suzman's constituency of Houghton had strong reservations about Dr Slabbert's conduct. Now one must conclude from Mrs Suzman's letter that she wonders whether she should continue to fight against disinvestment and sanctions, because the government does not want to do as the PFP says. There is only a difference of degree between her attitude and the weak disposition of Drs Slabbert and Boraine. If she carries out her threat, it will--so to speak--say to the country's enemies to just go ahead with their work of devastation; she will

no longer fight against it! This sort of approach almost indicates something like a self-destruction urge in the PFP. But what about the interests of the country and the people about whom the PFP says it is concerned?

When an official opposition displays so little fighting spirit, it cannot be expected to inspire confidence among the voters. If it already now shows so many signs of helplessly capitulating in a time of crisis, what all can the voting public expect if the PFP ever should come to power one day?

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SOUTH AFRICA

INDIAN LEADER PRAISED FOR DEFENDING AFRIKAANS

Cape Town DIE BURGER in Afrikaans 14 Mar 86 p 14

[Editorial: "Another Positive Result"]

[Text] The positive attitude of the predominantly English-speaking Indian members of parliament toward Afrikaans is another favorable result of the new constitutional dispensation. The personal contact between Indian MP's and their Afrikaans-speaking colleagues has certainly contributed to greater mutual understanding for each other's cultural values, as well as the practical value of Afrikaans. This is apparent from, among other things, the sharp repudiation by Mr Kassie Ramduth, the minister of education and culture in the Council of Delegates, of the chairman of the Indian Teachers' Association of South Africa, who said Indian children should not learn a language (Afrikaans) which has "little significance or relevance."

The Indian MP's themselves discovered how relevant Afrikaans is in reality when they came into parliament. The truth was brought home: Without a knowledge of Afrikaans you cannot fully assert yourself in South African society. Hence Mr Ramduth's "confidence" that teachers will reveal a positive approach to Afrikaans; hence also the interest of certain members of that council in improving their own Afrikaans by means of special courses. That is an attitude which holds hope for the future.

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SOUTH AFRICA

URBAN REDISTRICTING TO LEAD TO MORE SELF-DETERMINATION

Cape Town DIE BURGER in Afrikaans 14 Mar 86 p 15

[Article by Provincial Reporter: "Redistricting Announced: Big City Councils Will Hand Over Powers"]

[Text] Large municipalities like that of Cape Town will have to give up considerable parts of their jurisdictional areas to other local authorities if the redistricting which was announced yesterday is accepted, DIE BURGER was told on good authority. The minister of constitutional development and planning, Mr Chris Heunis, announced yesterday that he has already requested the four administrators to formulate tentative proposals for the geographic redistricting of local government areas. (report follows)

DIE BURGER was told such a redistricting will boil down to a stronger practical application of the government policy of self-determination over one's own affairs in one's own geographic area and joint decisionmaking on general affairs. Objections that Colored and Asian local governments in particular are subordinate, unpractical and economically unviable will be discounted this way, it was said. The distribution of commercial and industrial areas which do not have any [ethnic] group character, but which can make smaller local governments viable for expanding their own group character, will evidently be looked at in particular in such a redistricting. In that process, parts of industrial and commercial areas of large municipalities like Cape Town and Bellville will be included in, for example, management committees' jurisdictional areas to make them viable. Areas such as Atlantis, Ennerdale and Chatsworth will no longer be just mere sleeping areas without income for the management committee and community in question, it was said. The goal of the redistricting is to create viable jurisdictional areas for all local authorities.

It also satisfies proposals of the United Municipal Board in 1980 that such a redistricting should be done, because existing districting "also does not always meet the requirement of optimum administrative efficiency as concerns the furnishing of regional subregional services." Investigations which were made of the proposal after that laid down guidelines for redistricting. Among other things, there was a recommendation to look at whether commercial and industrial areas could not be divided among more local governments. The

expectation is that the tentative redistricting may also eventually offer solutions to various other conflicts now existing in constitutional development.

Standing on One's Own Legs

A reapportioning of ground can make viable building stones for regional service councils out of underdeveloped local management boards, in view of the fact that the monetary contribution to SDR's [expansion unknown] do not then come from the pocket of one or more big municipalities in a certain area. The white Cape Town municipality and white Cape divisional council are now the mother bodies for quite a lot of Colored management committees. Problems which can arise as local authorities such as divisional councils and extra-urban councils in the new regional system disappear can also be obviated. The six managing committees which now fall under the Cape divisional council's jurisdictional area will then stand on their own legs. An example of this is Atlantis, where the managing committee has powers over the residential area, but the industrial area falls under the divisional council.

The local government of each population group will, after significant redistricting, function under its own minister of local management within its own geographical area, it was said. The redistricting proposal, however, will only be tentative and not legally valid. Various measures, among others open hearings by the Redistricting Council, will have to be pursued before they can be put into practice.

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SOUTH AFRICA

PROFESSOR URGES REAL REFORM TO STOP ANC

Cape Town DIE BURGER in Afrikaans 15 Mar 86 p 11

[Article by Jacques Van Wyk: "Government 'Can Stem ANC Plan With Initiative'"]

[Text] Professor Willie Esterhuyse says in this article that the important reforms which the government has undertaken have not had the desired effect on black views, mainly because of weak marketing and communication, and delayed application. On the positive side, however, there is a growing feeling among Blacks, especially in the middle class, that they have had enough of school boycotts and the disruption of their daily lives.

If the government really wants to take the initiative, influx control and the passbook system have to be abolished entirely and replaced by an identity document before 16 June, a symbolic day in the black community. By so doing, it will curb the plans of ANC radicals to have passbooks burned in the streets. That is, among other things, the view of Blacks with whom he spoke, Willie Esterhuyse, professor of philosophy at the University of Stellenbosch, said in Cape Town Thursday evening. He was one of the speakers at a seminar of Perspecta on the dismantling of apartheid. Professor Esterhuyse said the prospects for a relatively peaceful transition to a South Africa beyond apartheid do not at this stage look so good as one would have liked.

Symbolic Days

According to Blacks with whom he spoke about it, various steps must be considered in order to make it more positive. To begin with, the total abolishment of influx control must be considered before 16 June of this year, without it being replaced by another control system. Their reasoning is that 16 June is a symbolic day. If the government really wants to take the initiative, it must do its things before the symbolic days in the black community. With the abolishment of the passbook system before 16 June, procedures must be instituted at the same time for furnishing identity documents similar to those for Whites. This must be done as quickly as possible in order to frustrate the radicals' plans for the mass burning of passes. He considered this of decisive importance because the pass system has made radicals of many Black. The important point made by the Blacks is that the government is making a big mistake if it thinks that only its announcement that passbooks are going to be abolished will change opinions, and that it has

four to six years of time to replace the passbooks by other documents. "That passbook, whether we are going to use it in the future as a pass or identity document, is a symbol. That is why they reason that, apart from the abolishment from the passbook system, a process must also be put into motion immediately to replace it by something else. One can make something really dramatic of this within the next three months and thus stem the ANC radicals' plans to have passes burned in the street on 16 June."

A frank declaration on the question of citizenship must be made, in which no distinction is made between White and Black, before 16 June. Procedures and structures are needed which facilitate a more visible process of constitutional negotiation and stipulation, some tied to parliament and others of an extraparliamentary nature. A massive development program, mainly under the direction of the private sector, is needed in order to improve the quality of life in black residential neighborhoods, increase skills, create job opportunities, meet educational requirements and alleviate the plight of the poor.

Another factor which Blacks of various persuasions regard as of decisive importance is the unconditional release of "political prisoners" like Nelson Mandela. Some regard Mandela as their "true leader." Others--and there are a considerable number--argue that they lose the struggle for political support as long as Mandela enjoys the virtually mystical status of martyr in prison for the sake of the cause of black freedom. They further argue that if he should die in jail, the cause of the moderates would be irrevocably lost. Their proposals do not deviate much from what the government has taken into consideration for the future. The actual point is that they say that the practical application of these intentions must occur in such a manner that the government takes the initiative out of the hands of the radicals.

A strategy of piecemeal reform has been pursued in South Africa for some very good reasons. Although it has been successful in certain respects, it has not succeeded in creating legitimacy for the process of reform among the great majority of Blacks, Coloreds and Asians. A more comprehensive approach, based on a negotiated package, is needed. The lapse of time between announcements and putting them into effect must be curtailed drastically. For example, it took years before a start was made with the application of open central business areas. The psychology of reform is not being understood. The role of middlemen or "honest brokers" should not be ignored in the process of negotiation. Although the government must retain final control over the process of reform, it should not monopolize it. From a tactical viewpoint, it must be accepted that the dismantling of apartheid and the formulation of reform goals is not a task or responsibility "for Whites only." Blacks must become involved at the negotiation--as well as the implementing--level.

As for dismantling apartheid, there are several statutory measures which create tremendous problems. Two of them are the Group Areas Act and the Population Registration Act. The latter is one of the principal points of contention, in view of the fact that it is one of the cornerstones of political apartheid and the root of the tricameral system. Professor Esterhuysen said he does not think much will happen if the Group Areas Act is abolished. Many emotions are attached to this law, and a manner will have to

be found to neutralize those emotions among Whites. It looks as though gray areas and local options are a way to do this. The Population Registration Act is an altogether other matter. Its future will mainly be determined by the new constitutional structures which are created after negotiations.

An important matter on which a final answer must be quickly given is citizenship. This is being considered by the government at present. It should not differ from that of the Whites. Blacks who live permanently in South Africa or the self-governing states should automatically get citizenship on the basis of birth and ancestry. The independent national states are another matter. The government is now negotiating about that. Among the negative factors affecting the prospects for a relatively peaceful transition is the growing conception among Blacks that violent action is the only way to attain political objectives. Another conception is that the government is not really in control of developments in black residential areas and that the "power of the people" will eventually triumph over the forces of the government. The phenomenon of meters and meters of barbed wire fences which are being set up around some buildings of the community councils, as well as some police stations and factories, fortifies this view.

Furthermore, Professor Esterhuyse mentions the confidence with which the yellow, green and black, the colors of the ANC, are displayed openly and in black neighborhoods, such as, for example, at the recent funeral of 17 riot victims in Alexandra. The 17 coffins which were draped in the ANC's colors are a symbolic gesture which should not be underestimated. This is reflected by the words of a servant from Alexandra: "To you the people of the ANC are terrorists. To us--brothers and sisters."

Another factor is the fact that the great majority of black organizations in urban areas show strong feelings against the government. Inkatha is the only body of significance which is willing to negotiate. He emphasizes that it is a dangerous error of reasoning to believe that Blacks are not organized. Although some groups are at loggerheads with each other, there is a network of organizations from a local to national level. Professor Esterhuyse furthermore said black organizations are too easily vilified as radical and restriction orders are too easily used. The recent announcement by the government on matters such as powersharing, influx control, the pass system and citizenship have given Blacks new hope for the future.

The Same Values

The private sector's positions on black urbanization, influx control, discrimination and citizenship have also had a positive effect. Although it had not generally been applauded--the private sector is not so popular among Blacks--it has at least made an important dent in the view that the private sector is an ally of apartheid. The findings in a report of the Human Sciences Research Council (HSRC) that there are still a substantial number of people in the country who share the same convictions and values, and who are in favor of negotiated settlement, are reason for cautious optimism.

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SOUTH AFRICA

VILJOEN CLAIMS BLACK EDUCATION TO BE IMPROVED

Cape Town DIE BURGER in Afrikaans 15 Mar 86 p 3

[Article: "Black Schools Aimed More at Practical Training - - Education Necessary for Freedom - Viljoen"]

[Text] JOHANNESBURG. - "Freedom before education" as a new slogan seems to him like a sad misconception now that the government acknowledges the backwardness in black education, and its eradication has become one of the state's biggest priorities, Dr Gerrit Viljoen, minister of cooperation, development and education, said yesterday at Vanderbijl Park. Dr Viljoen officially opened a new black technical college at Lekoa, south of Vanderbijl Park. He said the truth is just the opposite -- people must be educated for freedom. True freedom is impossible without sound education. The state has devoted 6 1/2 times more, in just as many years, to overtake the backwardness in education.

South Africa's manpower problem is contradictory, Dr Viljoen said. On the one hand there is a pronounced shortage of job opportunities and large-scale unemployment, and on the other hand commerce and industry are experiencing an acute shortage of technically trained people. Only about one percent of the black high school population now receives technical and other occupation-oriented education. His department is aiming at a new goal; namely that 21 percent of the black students in the senior secondary phase should receive technical or occupation-oriented education, and nine percent should be instructed in agriculture and commerce.

Occupational Choice

About 30 percent of the black students should take those courses after elementary school. There are already 24 higher technical schools and high schools with technical departments. All black elementary schools will be integrated into the reorientation of black education within the next five years. The goal will be to expose the children to a very wide variety of occupational choices, necessary technical skills, science and mathematics, in their earliest formative years.

Dr Viljoen made an appeal to the rectors of black technical colleges to give not only industry-oriented instruction, but also community-oriented

instruction. "We will not be able to decide from a crystal ball what courses are in demand. We will have to talk with people in the community," Dr Viljoen said. He suggested that instant courses in hair care, black real estate agents (now that property rights are allowed in black towns), hostesses, backyard [sic] motor mechanics, ballet, drama and the art of painting be considered.

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SOUTH AFRICA

DEPUTY MINISTER OF EDUCATION CONFIRMS GOAL OF EQUAL EDUCATION

Cape Town DIE BURGER in Afrikaans 22 Mar p 13

[Article by Grietjie Odendaal: "Government Sincerely Committed to Equal Education"]

[Preface Text] Demands concerning educational matters were recently put to the government by the Soweto Parents' Crisis Committee (SPCC). The government's reply to and handling of the demands are elucidated by the deputy minister of education and development aid, Mr Sam De Beer, in the accompanying article by Grietjie Odendaal. Mr De Beer thinks the government's response should convince reasonable people that the government really means it when it says it is committed to equal education for all groups.

[Main Text] The government's handling of black education demands ought to indicate to reasonable people that it is really serious when it says it is committed to equal education for all groups. That is what the deputy minister of education and development aid, Mr Sam De Beer, said to DIE BURGER in an extensive interview in Cape Town after the spokesman of the National Education Crisis Committee (NECC), Rev. Molefe Tsele, claimed last week--according to a SAPA report--that the government is not aware of the seriousness of the matter. He said an NECC conference has been called for in Durban late this month because it does not look as if the government is meeting its demands.

Handicaps

According to Mr De Beer, however, that conference was convened before his talks with the committee on 8 March. The understanding was that his answers would be discussed by delegates at the conference. "If reasonable people accept that the government is making endeavors--in spite of the handicaps--it goes without saying that we will get better education for our black children. This also implies accepting the fact that problems can be solved by talking," Mr De Beer said. People should reflect whether they are sincerely concerned about the education of their children or whether they are having the children used for political ends. "It is my hope and desire that the education of children should not be used for satisfying other people's selfish political aspirations.

The increase of 27.8 percent being spent on black education in the budget submitted last Monday points out the government's sincerity in its ideal to create equal education for all groups. According to Mr De Beer, mention is often made of the fact that the per capita spending for white students is higher than that for black students. However, that spending is not determined out of "malevolent or underhanded" motives, but has an historical background and is the result of several factors. It should be kept in mind that about 80 percent of that budget goes to salaries, as well as that the expenditure per student for primary education is less than that for secondary schools. Salaries are determined by qualifications. Only 2.24 percent of the roughly 45,000 black teachers have a university degree, while only 35 percent have matriculated.

Confrontation

In view of the fact that education at the secondary level is more expensive, more money is budgeted for white schools where the relationship between primary and secondary schools is more or less the same, while there are only 328 black secondary schools among the 7,362 schools under the department's control. According to Mr De Beer, the government has already met most of the education demands which were made at the Soweto Parents' Crisis Committee's (SPCC) national education conference on 28 and 29 December last year, and others are being given attention. Numerous resolutions were adopted at that conference; among other things, on school attendance. Mr De Beer pointed out his flexible action in handling the return to schools early this year. His department tried to avoid confrontation in the interest of the students. Numerous demands have been made of the government as part of the resolution on school attendance, and it has been given a chance until late March to satisfy them. Those demands were, among other things, that:

- new school buildings be erected where old ones were destroyed;
- examinations be postponed until March;
- democratically elected student councils (SR's) be recognized;
- teachers and students who were arrested by virtue of emergency measures be released;
- teachers who were dismissed, forced to transfer or temporarily suspended be reinstated in their posts;
- the state of emergency be lifted and the police and Defense Force withdrawn from black residential areas;
- the banned organization Cosas be legalized, and
- corporal punishment and sexual exploitation of girls be stopped.

On 8 March, De Beer replied to the NECC, a new body with representatives from throughout the country, as well as the SPCC, regarding those demands. Concerning the demand that schools be built, Mr De Beer said the government is involved in an intensive school construction program. Student growth is about 250,000 annually, which means that about 62 new schools have to be built every year by his department. At present, about 15 classrooms are built per workday, and last year 3,440 classrooms were completed. In last year's riots 17 schools were destroyed, 30 badly damaged and 247 damaged. Those 294 schools represent 3.9 percent of the total number of schools. The costs to restore them are R7.8 million, and more than R85,000 has already been spent on

restoration work. Mr De Beer said it is heartening that numerous parents and school committees are restoring schools themselves.

Student Councils

"It goes without saying that no restoration work can be done if circumstances in black residential areas are not normal and stable. Construction can only take place when it is feasible to go into areas and when it is clear that there is a willingness on the part of the community to assure the safety of buildings."

The examination demand was heard, and more than 10,000 students have already enrolled to take the matric exam in May. Moreover, student councils already exist in two thirds of the secondary schools under his department's control, Mr De Beer said. The student councils have been allowed, provided that they are democratically elected by secret ballot and provided that they confine themselves to educational matters. Although the release of teachers and students who have been detained under emergency measures, as well as lifting the state of emergency, do not fall under his department, those demands have also been met, he said. Regarding corporal punishment and the sexual misuse of girls, he said there are regulations which protect students. His department has ordered that any corrupt practices of that nature be brought to his attention and that instruction on the subject be given to children, parents, school committees and student councils.

Addressed

"There are few demands which have not been looked at satisfactorily, and none on an educational level which have not been addressed," Mr De Beer said. Those replies from the department, which he provided at the talks, will be reported by delegates at the NECC conference in late March. "My and my department's door is open for communication with reasonable people who have the interests of our children's education at heart. Any form of cooperation which will lead to better understandings and the attainment of solutions is welcome," Mr De Beer said.

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SOUTH AFRICA

BLACK PARTICIPATION IN HIGH-LEVEL GOVERNMENT URGED

Cape Town DIE BURGER in Afrikaans 15 Mar 86 p 10

[Article by Dawie: "Wanted: Timely Deliverance From Danger of Stagnation With Blacks"]

[Text] Every possible plan, we realize, will have to be tried if we want to prevent the revolutionary forces from succeeding in pushing the country more and more toward disaster. There are all kinds of ideas about what the best action against the elements of violence would be. And more definitely: how clearer shape can be given to the constitutional reform.

On the Table

One of the biggest dilemmas at present is the unwillingness of black leaders to participate in the process of negotiation in public. No matter what their reasons are, the fact is that their conduct is in a certain sense responsible for stagnation. This leads to more than one misconception. The impression is created that the most important action occurs on the front of senseless violence and counterviolence, and this while some of the most drastic constitutional initiatives in any country's history are here on the table. It is furthermore professed that the situation can be attributed to "the government's powerlessness to move," that it has been restrained by the rightists. That is an unfair accusation, because this government has already committed itself to the matter of black powersharing, with every thing that goes along with that.

Broken

Those black leaders who are engaged in a delaying action for their own political considerations must realize that they themselves are also not going to escape the disadvantages. If they have nothing to show what they have attained, this should lead to a growing impatience among their own followers. What use is it, their people will say, to be reasonable if it gets you nowhere? In the meantime, the radicals and perpetrators of violence are taking advantage of the situation. This apparent standstill will therefore have to be broken in one way or another.

'Perpetual'

To begin with, it is indisputable that only the present government under the leadership of President Botha possesses the stability and authority to lead the country on a road of peace in this storm. No other political party or group, white, black, Colored or whatever, has the ability to do that. On the contrary, an absolute catastrophe for the country is the dominant feature of every alternative. How should the game be played henceforth? More than one thing should be done and numerous others not omitted. However, to think that things can be rectified at one time or overnight is too naive for words. If there is ever going to be an example of perpetual motion, we will see it in the future interpersonal and intergroup relations in South Africa.

There is a clamor that this law must be abolished at that system gotten rid of, then things will be better right away. Is that true? These things cannot be kept in limbo and as a matter of fact will have to get urgent attention. but what has happened so far? As soon as a law was abolished, it was said it was not really important; the issue is actually something else. And so it continues.

Time Is Running Out

There is indeed one thing that really matters in the eyes of people here as well as abroad. That is that the Blacks must get a political say--to the highest level. The step that is going to have the greatest impact will be to involve them in the parliamentary process. The first moves in that direction have been made, and there is a standing offer for any black leader to come and take part in the negotiations for a settlement. But they will not be able to linger indefinitely, for time is running out.

What other strategy could, if it becomes necessary, be followed on that path? A logical one would be that clearer structures for black participation be created. Just remember, the Coloreds who are now sitting in parliament also did not want to associate themselves with an arrangement earlier. except for a few individuals, they did not even want to serve on the President's Council. But when they were confronted with actual parliamentary participation, not one political party could say no.

The Basis

The present order of things has its flaws. But it has been above all a school for learning constitutional cooperation, a preparation for what will yet necessarily have to follow. The predominant need today is for White, Black and Colored to consult jointly about matters affecting them all. And the basis on which that should happen has already been created.

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SOUTH AFRICA

EDITORIAL: BUDGET FAVORS EDUCATION OVER DEFENSE

Cape Town DIE BURGER in Afrikaans 18 Mar 86 p 14

[Editorial: "Investment in People"]

[Text] The minister of finance stressed yesterday in his budget speech that the budget is primarily directed at the people of South Africa and their needs. The way in which the budget meets these is an achievement, in view of the particularly difficult circumstances that the country is in. A record amount is going to be devoted to education: R6.2 billion, the single largest allocation in the budget. Coupled with other allowances aimed at socio-economic uplifting, such as the amounts for providing employment and improving the standard of living of backward communities, it shows the government's determination to curb a revolutionary onslaught which, among other things, is based on exploiting economic grievances.

That revolutionary onslaught will also have to deal with the full extent of the country's security apparatus, for which equally large amounts are approved. The defense budget is reaching a record amount of R5.2 billion, and the planned larger police force's budget has also been raised. The need for this, although a pity, cannot be denied.

The total budget now amounts to the gigantic sum of more than R37 billion; made possible by an increase in state income and by issuing state bonds, so that no foreign loans will be needed to finance the expected shortage. Moreover, for the individual taxpayer there is news which, under the present circumstances, will probably be favorably received in particular. A deduction of five percent on income tax, applicable immediately, is being allowed, in addition to the continuation of the abolishment of the seven percent surcharge. Being added to that welcome bonus is a considerable concession to working married couples: 20 percent of the wife's income will be tax-free. This addresses a considerable bottleneck.

The tax concessions, obviously aimed at stimulating the economy, will surely be followed by even more drastic accommodations when the government responds to the report of the long-awaited Margo Commission next year. Although further important measures are still in the offing, the budget overall is not overcome impediments and obstacles and meet the future with greater confidence.

SOUTH AFRICA

PAPER REPORTS ON PRISON CONDITIONS, GANGS

Cape Town DIE BURGER in Afrikaans 20 Mar 86 p 17

[Article by Political Editorial Staff: "Gangs Do Not Originate in Prison"]

[Text] Prison conditions cannot be held responsible for the origin of prison gangs in South Africa. They can indeed possibly be held responsible for their continued existence, according to the HSRC [Human Sciences Research Council] report on prison gangs, with special reference to number gangs [v.i.] among Colored prisoners. This is especially true where the original gang has disappeared outside, while its prison equivalent continues to exist.

Feeling of Rejection

The HSRC team--Dr J.M. Loetter and Mr W.J. Schurink--in the report discuss various factors which promote the prison subculture, and say the lack of several things plays a big role.

- The lack of freedom is coupled with forced separation from friends and family, and social ties with people outside the prison usually weaken. In some cases they disappear altogether. The prisoner and more particularly the long-term prisoner then experiences feelings of rejection and is often cynical about the fairness of his treatment and detention. He tries to neutralize the feeling of rejection and his frustrations by some type of behavior or other. His choice can promote the prison subculture. One prisoner said, for example: "A man is here for so long, I'm going to just f... off now ..."

- The lack of goods and services plays an important role in the origin, development and preservation of a sub-rosa economic system through which stolen, smuggled and fabricated articles circulate in the prison. A contraband trade in tobacco, marijuana, food, coffee, newspapers, pornography, money, weapons and sometimes even alcoholic beverages and methylated spirits is especially typical. Tobacco and bread are important currencies. The ban on tobacco which was in effect until a few years ago probably contributed to the development of contraband systems that still exist.

Tobacco was scarce, and as a prisoner wrote to the HSRC team: "You would kill a man over a little bag of magalies [not further identified]... (a man) who has a little bag of magalies can possess a whole jail full of females [v.i.] maximum security prisons, and thousands of rands are also allegedly in circulation.

- The privation from heterosexual relations leads in many cases to homosexual intercourse freely occurring, and this is sometimes especially visible as a result of the lack of privacy. Certain gangs--like the 28's--are known for keeping "females." "Mpatas" (non-gang members) are not allowed to "set up house" with "females."

- Victimizing novices in particular can further help the subculture along. Many prisoners, for example, have a real fear of witchcraft and poison. Especially "mpatas", who are not members of number gangs, are exposed. According to the report, prisoners are victimized not only by fellow prisoners, but also by guards.

Guards Victims

Guards, however, can also be victimized by prisoners. Many prisoners are accomplished manipulators and get "weaker ones" in their power.

- Most prisoners on whom information was obtained come from the Colored lower class, and there is sometimes little question of ties with the conventional and conformist community and society.

- Street gang influences are also strong. Colored youth gangs have created serious problems in the past decade or two, and where large numbers of them have landed in prison, they have had a decisive influence on the subculture. The street gangs are inclined to join the gangs because of their experience.

Reform School Students

Thus, members of two "supergangs"--the Mafias from the Eastern Cape and the Cape Town Scorpions--mainly join the 28's. The Mongrels and the Born Free Kids in turn join the 26's. Street gang leaders also instruct their members as to which prison gangs they should join.

- A considerable portion of the prison population is made up of former reform school students, and gang members often come from their ranks. The "homesas" (prisoners who come from the same area) play a big role here. According to the report, reform schools also provide ideal recruits for prison gangs in other respects. "The Tokai boy is gonna survive the easiest, like because he's the hardest man. That man may still run after the Boers, but not the Tokai boy. Because how come? He's made tough at that school ..." a prisoner explained.

- Gangs also recruit new members, or else they would become weak due to discharges, the withdrawal of older members from activities, and injuries. Sometimes obstinate ones are "caught with thought" (in a cunning way

maneuvered into a situation from which they cannot escape unless they throw in their lot with the gangs).

- Tomorrow we continue from the HSRC report on the functioning of the number gangs.

13084

CSO: 3401/114

SOUTH AFRICA

CONCERN EXPRESSED OVER INCREASED FIGHTING IN MOZAMBIQUE

Cape Town DIE BURGER in Afrikaans 20 Mar 86 p 16

[Editorial: "Concern Over Mozambique"]

[Text] The increasing successes which the Mozambican resistance movement, Renamo, has--according reports--recently achieved against the Marxist regime of President Samora Machel have serious implications for South Africa and the West in general. Concern over the situation has also just been expressed before a committee of the American Congress. In giving his reasons for American Assistance to African countries, including Mozambique, Dr Chester Crocker pointed out that continued attacks by Renamo could again drive Mozambique's present leaders into the arms of Russia. It looks like a considerable danger, because Western diplomats in Mozambique say Maputo is virtually a surrounded city, while Renamo recently succeeded in recapturing its military headquarters. Since then, about 5,000 of the estimated 12,000 Zimbabwean soldiers who were sent to Mozambique earlier to help consolidate President Machel's position have been withdrawn.

Renamo's successful military action, ironically enough after the conclusion of the Nkomati Treaty which prohibited South African aid to Renamo, increases the pressure on President Machel to negotiate with the resistance movement on a political settlement. The question is whether he will agree to it, because earlier peace talks which were arranged through South Africa's mediation fell through. President Machel has in the meantime indeed indicated that he wants to diminish his dependence on Russia, but Western countries let the opportunity slip by to pull Mozambique further out of the Russian sphere of influence. The intensified attack on the Frelimo government could compel him to reexamine his position. If he should decide to ask for assistance from the Soviet Union, the Cuban presence--it is estimated that there are about 700 -- in Mozambique could be increased. With approximately 30,000 Cubans already in Angola, that possibility does not bode well at all for South Africa. Will South Africa, notwithstanding the Nkomati Treaty, and the West be able to tolerate that with open eyes? For the sake of stability, it is advisable that President Machel comes to a compromise with Renamo.

13084
CSO: 3401/115

SOUTH AFRICA

GOVERNMENT MEASURES FOR EQUAL SALARIES PRAISED

Cape Town DIE BURGER in Afrikaans 20 Mar 86 p 16

[Editorial: "Salary Parity"]

[Text] It is high time that the government and even to a greater extent the private sector accept that it is almost inexcusable that certain workers are discriminated against in salaries and wages on the basis of skin color, even though they have precisely the same qualifications and do precisely the same work. It has also become the explicit aspiration of the government that this inequality should be eliminated as quickly as practically possible. Something like this can naturally not happen overnight, due to a shortage of money. Still, encouraging progress has already been made. For example, the minister of national health has just announced that salary parity is being instituted immediately in the nursing and supplementary health occupations. This follows less than two weeks after the minister of communication announced in the council of representatives that full salary parity will be instituted in the postal services starting 1 April this year. Only in some categories will black workers receive less, but hard work is being done to also bring about full equality here. And in the same council, the minister of transport services announced last month that salary parity is being planned for all departments of the SA Transport Services within four years. Immediate parity would require R700 million.

Even more examples could be cited, but the above-mentioned should serve as enough proof of the government's seriousness about instituting equal pay for equal value. It can rightly be asked whether there would have been greater social tranquility today if active measures had been taken much earlier. It is also for important economic reasons that some Colored communities have changed into cauldrons of unrest. However, reproaches will not benefit anybody now. Rather, everyone who can should help strengthen the government's hand in a difficult task, and also in one's own sphere see to it that greater fairness takes practical shape.

13084

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SOUTH AFRICA

PAPER VIEWS DISPUTE IN U.S. OVER STATEMENTS BY CROCKER

Cape Town DIE BURGER in Afrikaans 27 Mar 86 p 8

[Article by Allan C. Brownfield, Washington: "Conservatives Angry About Dr Crocker and Demand his Resignation"]

[Text] A tremendous dispute has arisen in Washington over testimony which Dr Chester Crocker, under secretary of state for African affairs, gave earlier this month before a subcommittee of the House of Representatives. He said the American Government is in favor of black majority rule and that the ANC are "freedom fighters."

Conservatives in the Republican party are now demanding Dr Crocker's resignation and say he is not carrying out President Ronald Reagan's policy. When he was asked by Mr Howard Wolpe, chairman of the House subcommittee on African affairs, whether the Reagan Administration supports "the creation of a system based on (black) majority rule and the protection of (white) minority rights," Dr Crocker replied: "I think that is included in all that we have said." However, Mr Wolpe persevered and asked: "Does that mean (black) majority rule.?" Dr Crocker's answer was: "Yes." Mr Wolpe, a leading member of the Democratic Party and someone who regularly promotes punitive economic measures against South Africa, said afterwards it is the first time in five years that a high official in the Reagan Administration has declared himself in favor of black majority rule in testimony before his committee.

Elsewhere in his testimony Dr Crocker said the government regards the ANC's terrorists as "freedom fighters in the general sense of the word (generic sense)." No government representative has ever yet before referred to ANC terrorists as "freedom fighters," a term usually used by the Reagan Administration to denote anticommunist rebels in Angola, Nicaragua and Afghanistan. Dr Crocker's testimony was also interpreted in the newspapers as sharply critical of South Africa. The liberal WASHINGTON POST, for example, reported that "Crocker was unusually critical of South Africa regarding other matters. He condemned the white government's offer to negotiate with black South Africans, while two black leaders are at the same time restricted, as 'a ruse.'"

In response to Dr Crocker's testimony, the conservative political Washington magazine HUMAN EVENTS had an editorial with the title "Crocker must go." The

magazine said that Dr Crocker should either resign quietly himself or else President Reagan should fire him. That is the kindest remark that has been heard after Crocker's amazing testimony." According to the editorial, the under secretary -- whether he meant it that way or not -- in reality said "the Reagan Administration is in favor of one man, one vote, and he quite legitimized the ANC... Crocker thus expressed Ronald Reagan's blessing on radical demands on South Africa, and made it even more difficult for moderate Blacks to resist domination by the ANC. One man, one vote, is not the biggest immediate demand of most Blacks in South Africa, and the ANC ... is dominated by Marxists-Leninists. HUMAN EVENTS concluded its editorial this way: "Does the President agree with Crocker's characterization of the ANC? Is he in favor of Crocker's policy? And if this is not so, should he quickly remove Crocker from his post?"

Step Aside

Conservatives were already demanding Dr Crocker's head on a platter even before his latest controversial testimony. When Secretary of State Mr George Shultz met with a group of skeptical senators on 5 March to assure them that American aid is already being given to the Angolan rebel movement, he was allegedly interrupted bluntly again and again by the very conservative Sen. Jesse Helms: "You must fire Crocker! You must fire Crocker! The Africa office is not carrying out the government's policy!" There are, however, widespread rumors that Dr Crocker will step aside soon -- some say between April and June.

Ironically enough, Dr Crocker is just as unpopular among American liberals as among the conservatives. The liberals believe deception by the South African government has gotten him to conduct a policy based on quiet diplomacy -- carrots rather than sticks to prompt President P.W. Botha to reforms. They accuse him of having tried to block the nationwide movement to get American economic sanctions instituted against South Africa.

Not Supported

But Dr Crocker still has a few friends left. Professor William Zartman, director of the Africa Studies Program at the Johns Hopkins School for Advanced International Studies, has high esteem for the under secretary's attempts to get Angola and South Africa around the table. "If there is a mistake anywhere, it is at the top of the Administration, which has not supported him adequately.

Although the State Department said that Dr Crocker was quoted out of context, officials of the Reagan Administration were concerned about the uproar. They say he went too far and that his statements are not endorsed by President Reagan either. President Reagan himself said in a press statement: "Proponents of peaceful change in South Africa are seeking an alternative to both violence and apartheid. American assistance will be ready ... to help democracy succeed."

13084

CSO: 3401/118

SOUTH AFRICA

PAPER VIEWS NEW POLITICAL SYSTEM, WHITE INTERESTS

Cape Town DIE NASIONALIS in Afrikaans Mar 86 p 5

[Article: "Security"]

[Text] Party workers, officeholders and civil servants must be sure of their cause and possess correct and adequate information in order to be effective and purposeful. The channel which the National Party uses to attain this goal is primarily its organ, DIE NASIONALIS. DIE NASIONALIS is therefore not a newspaper, but an information paper. It does not seek sensation, nor does it speculate. It does not carry advertisements and is also not sold. It does not have to bid for an existence in the open market, but is furnished gratis to officeholders and civil servants of the party in order to arm them, in their task of persuasion, with the facts and the party's policy as it unfolds month after month.

Perspective

DIE NASIONALIS thus does not carry news (fresh or old), but information. And if it is necessary to put matters into a certain perspective, then it is the perspective of the National Party's principles and policies. The well-informed voter has nothing to fear even in South Africa's changing circumstances. The structures of the unfolding dispensation have indeed not been worked out or negotiated--and therefore it is senseless to speculate and hypothesize about them, however interesting it may be. It only creates further confusion and fear.

Principles

It is unnecessary, because there is in fact certainty about the future. It is seated in the firm foundation of principles which have been laid for reform and in the assurances which the National Party has furnished. Powersharing among all our country's many minorities is indeed coming, but only subject to firm conditions: that each minority's rights and privileges will be sufficiently protected and that no people or group will dominate or prejudice any of the others. The state president stated it clearly: while fairness toward others is being pursued, a new political system cannot arise unless Whites' say about their own spiritual and material interests are safeguarded from destruction. Moreover, there is the absolute assurance that no drastic change will be made in the existing order without a mandate from the white electorate. That is the reality and the guarantee against confusion.

SOUTH AFRICA

BRIEFS

LESS FORCE BY POLICE--Pretoria--The fact that last week the police gave orders to use minimum force in riot situations is merely a reconfirmation of old orders, Lt Gen Hennie De Witt, senior deputy commissioner of police, said yesterday. A memorandum advocating use of the least possible force was sent to all police departments last week. "The message that we want to bring home is: if a round of birdshot is enough to defuse a situation, more force should definitely not be used," he said. It is now being urged that policemen in riot situations, especially if children are involved, should use tear gas and whips rather than bullets. Live ammunition may not be used except if a policeman is protecting his home or family or if he is defending his own life, Gen De Witt said. The latest orders follow sharp criticism from abroad. [Text] [Cape Town DIE BURGER in Afrikaans 31 Mar 86 p 3] 13084

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SOUTH AFRICA

BLACK PARENTS SEEK LARGER ROLE IN EDUCATION ISSUES

Johannesburg WEEKLY MAIL in English 27 Mar 86 pp 12-13

[Article by Mike Loewe]

[Excerpt]

BLACK parents in the East Cape are being roused from passivity to take a more active role in their children's education.

Moves are being made to close the gap between the stereotyped young rebel streetfighter and the confused, conservative parent.

Parents who have been unable to relate to children who came home each night from street battles with the police and army, are now beginning to have greater say over their education. Before the implementation of people's education they had left this entirely to the authority of the Department of Education and Training.

Bearing testimony to the need for narrowing the parent-child gap is Zwide cemetery, with its row upon row of young people's graves. Two weeks ago, it was Thanduxolo Mbete's turn to be buried in Heroes' Acre. The ex-New Brighton schoolboy returned from exile, armed with an AK-47. Township residents say he was killed in a five-hour battle with police. They also speak of "at least" four unpublicised police deaths.

The activation of the parents has been attributed to pressure brought to bear on them and their children by hundreds of street and area committees (the basic unit of people's power), to unite around the People's Education Programme.

The committees have also been pushing for the formation of Parent/Teacher/Student Associations (PTSAs), which are to be led by the Crisis in Education Committee (CIEC). This committee consists of members of civic, trade union, teacher, and student groups.

Evidence of the strides made towards closing the generation gap was shown on January 7 this year, when, after nearly 16 months of school

boycotts and street battles, parents decided to call the young people off the streets and send them back to school.

This meeting was attended by 30 000 parents and children in the stands had to give up their seats to adults.

In January, 1985 a mere handful of parents had attended an education meeting at which about 5 000 schoolchildren resolved not to return to class because of the "gutter education" and the detention of 11 Cosas leaders.

Since then eight of the Cosas leaders have fled into exile. Three are in jail. Parents say they have not heard from those in exile and do not know if they are still alive.

However, parents of leaders such as Vuyani Vena, and Brenda Badela are not alone in their concern for their children. Last year a source from Lesotho told me that more than 300 children from the East Cape were passing through each month on their way into exile.

The Department of Education and Training's reaction to the growth of people's education has been to shut down schools. On March 12, the Cape DET director, Bill Staude, closed three schools. In a statement he said there had been "interference by certain outside organisations and ... attempts on the part of unofficial 'school committees' of pupils to subsume the authority of principals".

Next day, March 13, 57 000 pupils boycotted 66 Port Elizabeth schools. But after a mass meeting of parents they went back.

CIEC secretary general, Ihron Rensburg said he believed Staude's statement was intended to refer to the CIEC. He rejected the allegations as "utter nonsense" and said that during a recent meeting, Staude had "complimented us on the responsible nature of our approach".

SOUTH AFRICA

CITIBANK AIMING AT BLACK ENTREPRENEURS

Johannesburg SUNDAY TIMES-BUSINESS TIMES in English 30 Mar 86 p 5

[Article by Ciaran Ryan]

[Text]

CITIBANK — once a silent member of the South African banking scene — has bounced back to life with an advertising campaign aimed at black entrepreneurs.

The new managing director of Citibank in SA, David Hexter, says the campaign is not intended to assuage SA and foreign opposition to its presence in this country. Last month Citibank closed its Cape Town office in what Mr Hexter describes as part of a "consolidation" drive.

Twenty-five staff members — or 10% of the bank's complement — have been laid off "to preserve profits".

Preferential

The campaign to attract black business will expose the bank to high-risk clients and therefore increase bad-debt provision. What is more, no profit is expected from this sector for the first few years. Preferential rates of interest will be offered.

Initial response to the campaign has been overwhelming. A few days after the campaign was launched more than 600 calls had been received from potential borrowers.

Mr Hexter says: "We are trying to encourage the growth of venture capital in the black economic sector. Based on our own experience

in this country we found an opportunity that was not being exploited.

"We are looking at situations which under normal circumstances are unbankable. We are trying to understand this market."

Politics

Mr Hexter says the campaign to attract black entrepreneurs will not duplicate the services of the Small Business Development Corporation.

As international opinion against SA mounted last year, Citibank announced that no more loans would be made to the SA Government or State-controlled bodies.

Citibank has avoided any hint of political interference in its decision making. But events of the past year point to a flag-waving exercise stage-managed from New York.

Defied

The bank insisted that the ban on new loans to the Government was not politically motivated. The official explanation was that all loans to the Government had matured and would not be rolled over. But it is almost certain that US pressure forced its hand.

In May last year Citibank announced that it had withdrawn from the SA gilt market for commercial reasons. It denied that disinvestment pressures caused the withdrawal.

drawal.

Citibank, the world's largest banking group, has defied mounting anti-apartheid calls for its withdrawal from SA.

Opposition to foreign banks maintaining a presence in SA reached a crescendo last year when Chase Manhattan announced it was pulling out.

Given Citibank's resilience in the past two years in the face of fierce opposition to its SA presence, it is unlikely to throw in the towel at this stage. But it is becoming clearly identified as a friend and representative of black interests.

Citibank has adopted a policy of positive advancement for people of colour. About 45% of its work force and 30% of its management is non-white. Mr Hexter denies discrimination in reverse, saying Citibank selects its employees from foreign graduates, especially those educated in the United States. Employees are generally familiar with the American banking system and business culture.

Lucrative

Citibank's SA operation is lucrative — it is among the top three foreign-currency dealers here and has become a significant lender of funds to the private sector. Its dollar lending was curtailed by the debt moratorium.

It has what is regarded as the most sophisticated staff

tronic banking service for corporate clients in the world. It has the advantage of a worldwide network spanning all major trading nations in the West, Africa and Asia.

Citibank has secured a significant proportion of the SA corporate market. About 300 of SA's largest corporations with turnovers of more than R20-million bank with Citibank.

Untimely

Citibank came out of hiding last year with an extensive advertising campaign to announce its presence in SA.

The campaign was brought to an untimely end as the anti-apartheid campaign heated up in the United States and international corporations came under increasing pressure to withdraw from SA.

The new advertising campaign aimed at black entrepreneurs will make Citibank's presence in SA a little more palatable for foreign shareholders, many of whom obviously see Chase Manhattan's withdrawal from SA as an example worth following.

/13104

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SOUTH AFRICA

BRIEFS

KAWZULU INVESTMENT--The KwaZulu Finance and Investment Corporation (KFC) has budgeted for capital expenditure of R86,6m in the 1986/87 financial year, up R20,5m on capital expenditure in 1985/86. Included in the figures are appreciable increases in provision for black housing loans and for fixed assets for small industries. Agriculture, sugar production, commercial and small industrial loans also show increases. For capital expenditure on the KFCs industrial estates at Isithebe, Ezakheni, Madadeni and Ulundi, R39,5m is budgeted - a decrease of R1,7m, attributable mainly to the recession. The KFC has budgeted for housing loans of R15,2m (R8,6m), fixed assets for small industries of R3,8m (R1.8), commercial loans of R5,6m (R4,2m), small industrial loans of R1,7m (R1,1m) and sugar production loans of R3,2m (R1,7m). KFC executive director Marius Spies said the budget reflected a balancing out of KFC activity in various sectors. The increased provisions for housing loans was likely to have a stimulatory effect on black entrepreneurship in building. Spies said the KFC was in a healthy financial state and was poised to play the catalytic role in KwaZulu's development and economic upliftment for which it had been created. He said the private sector already contributed 43% to financing KFC projects by direct investment in industry. The KFC was exploring ways for the private sector to increase its involvement by making available indirect loan finance. [Text] [Johannesburg BUSINESS DAY in English 3 April 86 p 4] /13104

CSO: 3400/1432

SOUTH AFRICA

LIBERALS VIEW 'HARD LEFT', ASSESS STRATEGY

Johannesburg BUSINESS DAY in English 27 Mar 86 p 6

[Article by Ken Owen]

[Text]

A new liberal constituency — led by the remnants of the old Liberal Party — has begun to take shape in an effort to meet the challenge from the hard Left.

The tiny handful of liberals, always closest to the centre of events, have seen a massive shift in the character and direction of opposition to apartheid as the Left tries to eliminate non-Marxist alternatives to apartheid.

Most white South Africans, behind the times as usual, have yet to grasp how much their choices have narrowed: revolution or reform, violence or negotiation, Marxism or liberalism, adapt or die. The liberals see that time is running out.

The move to reconstruct South African liberalism began at a reunion of black and white Liberal Party members in Grahamstown last June at which four basic principles were tentatively put forward: opposition to government policy, defence against violence and against the violent overthrow of the state, the reconnaissance of new policies, and an exploration of the possibilities of co-operation with government reform initiatives.

The movement gained unexpected impetus from a series of six brilliant lectures delivered extra-murally by University of Cape Town economist Charles Simkins.

The lectures, entitled "Reconstructing South African Liberalism",

have been acclaimed as an extraordinary event in SA intellectual life and their effect has been to stimulate fresh thought.

In his first lecture Simkins observed: "One derives no pleasure from saying so, but the truth of liberal predictions, that illiberal policies would lead to a progressive collapse of SA social institutions into a chaos impervious to reason, is becoming steadily more apparent."

Simkins assumes that the descent into chaos, though threatening, is not inevitable, and argues that SA, having

passed through the harshest phase of industrialisation, now has a chance to become a unique and valuable member of the international community.

"Provided its achieved economic capacity and its growth potential are not badly damaged, it should join the league of advanced industrial countries in a generation. It will be the first African country to do so."

This vision of SA as a country about to break out of the Third World, so long as its capitalist economy remains substantially intact, is the liberal answer to the Marxists.

SA universities, Wit and Cape Town in particular, have in the past 30 years become factories for neo-Marx-

ist arguments that apartheid is the creature of capitalism and that apartheid therefore cannot be eradicated unless capitalism is also overthrown. Allied to the myth that non-violent methods have done nothing to alleviate the plight of the blacks, this is a prescription for the kind of violent conflict that might damage the economy and extinguish all hope of escaping the Third World.

The basic premises of the Marxist argument have recently been challenged by Merle Lipton, one of the world's outstanding liberal Africanists, whose book, "Capitalism and Apartheid", concludes that the Marxist analysis of SA conflicts with the historical evidence. (In one instance she found that a Marxist academic, in order to prove capitalist support for the colour bar, quoted out of context an attack by Helen Suzman on the colour bar!).

Simkins and Lipton have come to the rescue just in time. A leading member of the Black Sash, Jill Wentzel, observed at a seminar on liberalism in Johannesburg last week that liberals had been "sliding" away from their principles in response to attacks by the hard Left.

She brought into the open for the first time a simmering conflict between old-line liberals and younger hard-line radicals within the Black Sash, accusing Sash members of watering down principles, losing objectivity, and condoning violence by the Left. Her views are known to be shared, at least in part, by other leading Sash members.

Wentzel said that since 1982 unwillingness to stand up to the hard Left "seems to have established itself throughout the white liberal constituency".

"Reform and piecemeal strategies became discredited concepts," she

said. "Everything had to be considered within the total context of apartheid and the economic system ... those who 'worked within the system' had to be anathematised."

Referring to intimidation and violence in the townships, Wentzel said that, except for occasional articles, usually by black journalists, this violence seldom occupied the centre of the stage. "And this is really creepy," she said, "because, for heaven's sake, it is the central problem, promising to chew up the whole of our society."

"When our police rampage, that 'is to be expected'. We know how to handle it, by gathering allies and protesting. But when our own colleagues condone a necklace murder by mentioning it only apologetically, or in small print on page four of the newspaper, or preface their horror by long lectures about understanding why it happens, then our whole image of the world goes awry."

She observed that the refusal of black students at Wits to give Unita a hearing was preceded by the refusal of whites to give Dr Piet Koornhof a hearing, and that the old liberal demand that detainees should be "charged or released" had been replaced by a demand for "unconditional release".

Her exposure to public view of the impact of Marxists on the "sliding liberals" was made in the context of a challenge to liberals to keep alive a non-violent, democratic alternative to apartheid — "a search for realism and decency ... slow, plodding and full of setbacks and contradictions".

The Grahamstown group, having tested opinion among liberals across the country, plans another meeting, probably in Natal next month, to decide whether an attempt to reconstruct liberal values is still worth the effort, or whether the descent into chaos has already gone too far.

SOUTH AFRICA

REPORTAGE ON RESERVE BANK ACTION TO STIMULATE ECONOMY

Funds Pumped Into Banking System

Johannesburg BUSINESS DAY in English 2 Apr 86 p 1

[Article by Gerald Prosalendis]

[Text] THE Reserve Bank is pumping R181m into the banking system today to increase lending and give added stimulus to the depressed economy.

It has done so by cutting the commercial banks' cash reserve requirements.

By relaxing its hold on the banks' ability to lend, the Reserve Bank is effectively letting the money supply grow at the slightly faster pace allowed for under its new monetary targets.

Monetary authorities hope the move will facilitate their 3% gross domestic product (GDP) growth target and a slight reduction in inflation this year.

The cash-reserve requirement against banks' short-term liabilities has been reduced to 5% from 8%, Reserve Bank Governor Gerhard de Kock said yesterday.

As bank deposits grow, the smaller cash-reserve requirements could allow more money into the credit markets.

De Kock said, however, that liquid-asset requirements — which include cash reserves — would remain at levels of 20%, 15% and 5% against banks' short, medium- and long-term liabilities, as laid down by the amended Banks Act.

The reduced minimum cash reserve ratios will apply to building societies if the long-awaited Building Societies Bill is given the go-ahead by Parliament later this year.

The reduction will lower minimum cash reserves required by banks by about

R690m.

"Of this amount, R509m will be needed to make good the existing cash-reserve deficiency. The remaining R181m will be freed for investment in interest-earning liquid assets," said De Kock.

He warned that the reduction did not represent a further significant easing of monetary policy.

"The amount actually freed at this stage (R181m) is relatively modest. Moreover, it will mainly serve to reduce the Reserve Bank's outstanding accommodation to the discount houses and the banks," he said.

The move will have considerable impact in:

- Relieving banks of the obligation to rebuild their non-interest-earning cash reserves in coming months;

- Enabling banks to switch some additional cash into interest-earning liquid assets, assisting them to maintain margins between their deposit and lending rates;

- Discouraging disintermediation — the replacement of credit previously extended by banks by alternative non-bank lenders.

"The lowering of the cash-reserve requirement fits well into the official policy of providing for a rate of increase in the broad money supply (M3) of between 10% and 20% between the fourth quarter of 1985 and the fourth quarter of 1986," said De Kock.

With money supply growth having slowed over the past nine months, there is plenty of scope for an acceleration of growth to bring these figures in line with recently announced monetary targets.

Editorial Welcomes Measures

Johannesburg BUSINESS DAY in English 3 Apr 86 p 6

[Editorial]

THE welcome step taken by the Reserve Bank to reduce the banks' cash reserves is, in effect, a further prod to an economy suffering from post-recession lethargy.

The cost of money has been lowered during the past months. This has loosened the straps of the straitjacket which has stifled many businesses.

Minister of Finance Barend du Plessis made a token gesture in his recent Budget by putting a little additional spending power into the taxpayer's pocket.

And by cutting back on the banks' cash reserves, the Governor of the Reserve Bank is giving bankers the means to increase their lending — if indeed there is a demand for it from the public.

Demand in its widest meaning is the question mark that still hangs over the economy. Starting from the consumer, demand has been curtailed not only because taxes and inflation have taken their toll of disposable income but also because the recession has stripped many hundreds of thousands of people out of the labour market.

Retrenchments at all levels of business have engendered a mood of insecurity which has led to an increase in savings and a reluctance to spend.

And because spending has been reduced and demand has dropped, industry is producing at a level which leaves most factories with surplus capacity, adding again to the ranks of the unemployed.

Added to this is the uncertainty endemic in an unstable society.

We are caught in a vicious cycle which cheaper money — and more of it — cannot break. But if we are to pull out of the recession this cycle must be broken.

At the heart of the problem lies, of course, the political situation that continues to generate shocks to confidence almost daily.

Against this background, the government must surely redouble its efforts to restore confidence at a purely economic level. Du Plessis side-stepped tax cuts because he is waiting for the Margo commission to report, and soaring government spending in any event leaves him little room to manoeuvre.

Hence the tinkering. But it would all be so much better if the government concentrated its efforts on persuading the business community that its own spending is coming under control, and that the government's own promises are credible.

So far, unhappily, it has not succeeded.

/13104

CS01 3400/1431

SOUTH AFRICA

STELLENBOSCH SURVEY PAINTS BLEAK PICTURE OF ECONOMY

Johannesburg BUSINESS DAY in English 3 Apr 86 p 3

[Text] **STELLENBOSCH** University's Bureau for Economic Research (BER) paints a bleak picture of the SA economy in its *Manufacturing Survey*, which shows capacity utilisation, volume of production and employment continuing to decline in the fourth quarter of 1985.

The survey says the volume of production in the manufacturing sector in the fourth quarter fell 1,8% compared with the same period the previous year. Production capacity utilisation fell to 84,3% from 85,7% in 1984.

Employment was down to 1,343-million from 1,380-million. Total employment in the manufacturing sector has decreased continuously from 1,48-million in the fourth quarter of 1981.

Apart from a small improvement at the end of 1983, production volume has also been dropping steadily since 1981's fourth quarter, says the survey.

Overall, economic activity is still at a very low level, which is

reflected by the large number of liquidated companies relative to newly-registered ones, says the survey. The number of companies registered, minus those liquidated, for the fourth quarter of 1985 was 519, compared with 1 383 in 1984 and 2 916 in 1983.

The survey says manufacturers believe the volume of production sales and orders received in the second quarter of 1986 will be only marginally above levels in the same quarter in 1985. The improvement will not be large enough to have any beneficial effect on either employment or working hours.

The major concern is the rate of inflation. Production prices increased rapidly from 106 (index 1980 = 100) in the fourth quarter of 1980 to 190,4 in the fourth quarter of 1985.

From 1983 to 1985, labour cost per unit of production increased 13,4% a year, which together with the decreased volume of production reflects a shortage of skilled labour, says the survey.

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SOUTH AFRICA

WATER SITUATION CRITICAL IN PWV AREA

Johannesburg THE STAR in English 2 Apr 86 p 17

[Article by Kym Hamilton]

[Text]

The PWV area is facing its most critical water shortage and there is little likelihood of any immediate relief.

For the eighth successive year, the rainy season is ending with runoff well below average. This is the longest period recorded by the Department of Water Affairs.

Normally, only about nine percent of the total rainfall reaches the dams and reservoirs. Heavy flood-type storms are needed to create runoff conditions. Instead of the average of seven such storms, there was only one this season — in October last year.

Since records were first kept in 1923 there have been several "dry" periods. The longest was in the 1940s when runoff was below average for five consecutive years.

Critical Level

But, since 1978, runoff has been consistently below the 1 911 million cubic metres mark. Today, the major dams in the Vaal River system are at a critical level.

The Vaal River system is the country's most developed and complex water system and is the only water source for the PWV area's industries, mines, irrigation, and for the fuel and power generating stations in the Eastern Transvaal.

Grootdraai dam supplies water to the power stations and industries in the Eastern Transvaal.

The supply to Vaal and Bloemhof dams is supplemented from Sterkfontein dam which receives its water from the Tugela.

In the past 62 years, only the drought of the 1930s has caused so much concern. But runoff from 1930 to 1938 was double that of the past eight years.

Since then, water consumption has increased dramatically.

The Department of Water Affairs estimates water demands for 1986 at 2 600 million cubic metres. Of this 1 400 million cubic metres is needed for the urban and industrial sectors, 700 million cubic metres for irrigation, 300 million cubic metres for river losses and 200 million cubic metres for reservoir evaporation.

Since 1980, water resources have declined progressively from 3 900 million cubic metres to about 1 200 million cubic metres.

Latest figures indicate that the predicted volume of the system is lower than at any time in the past.

Dr C P R Roberts, manager of the department's scientific services, said that demands exceeded the drought inflows and the water transfers from other catchment areas.

Although the good rains of the past few months had alleviated the position of farmers and led to the lifting of Drought Relief Aid to farmers from yesterday, the dams were still almost empty.

There was no correlation between annual rainfall and runoff, he said. Runoff was generated by large rainfall storms which saturated the soil and allowed water to flow overland into streams.

The country needed flood-producing rainfalls over a period of several days to improve the levels of the reservoirs significantly.

Without the major saturating storms the conditions for runoff were non-existent and rain was absorbed by the soil.

The deterioration in water reserves has led to the implementation of strict water conservation from yesterday. The worst of the conservation is the Vaalbar's irrigation scheme which says that their annual 1983 water quota and so on per hectare. About 45 000 ha of agricultural land is dependent on the scheme which is served by Bloemhof dam.

A 30 percent restriction has been imposed in April 1983 in the urban and industrial areas. This will

been changed as normal growth has meant an effective cut of 39 percent in the 1983 quota.

The position will be reviewed in September.

Apart from water restrictions, several projects to increase water supplies had been undertaken by the department, Dr Roberts said.

These included the supply of irrigation water from the Orange River instead of the Vaal River in the Douglas area.

Tugela-Vaal project

The transfer of water from Heyshope dam on the Assegai River, near Piet Retief, to the catchment of Grootdraai Dam was started in August last year and had meant an extra 100 million cubic metres of water a year.

The Tugela-Vaal project would be completed by August this year and would mean an extra 190 million cubic metres a year, Dr Roberts said.

The Slang River-Zaaihoek dam project was expected to be completed by April 1988 and, although it was intended for use by the proposed Majuba power station near Volksrust, it would mean an extra 84 million cubic metres a year initially.

Dr Roberts said that projects undertaken by the Rand Water Board and Pretoria Municipality were expected to be in operation by July this year.

In the long term, negotiations were under way for the proposed Lesotho Highlands water project. The first phase would mean the transfer of 930 million cubic metres a year and, if approved, would be completed by about 1995.

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SOUTH AFRICA

LOSSES LIKELY ON SURPLUS MAIZE EXPORTS

Johannesburg BUSINESS DAY in English 2 Apr 86 p 4

[Article by Gerald Reilly]

[Text]

PRODUCERS stand to lose up to R200m on surplus maize exports this year, agricultural sources say.

The 1985/86 crop is estimated officially at 8-million tons. This would, National Maize Producers' Organisation (Nampo) says, leave an exportable surplus of more than 2-million tons.

Because of saturated international markets, SA can expect to realise an export price of about \$102 a ton.

However, Maize Board general manager Hennie Nel says storage, insurance, handling, transport, administration and other related costs could amount to about \$32 a ton.

The net loss on exports, compared with a local price of R240 a ton, could therefore, amount to about R100 a ton.

With the board's Stabilisation Fund a record R230m in the red, the loss would be carried by producer levies, which would increase the plight of maize farmers.

Sources say the extent of producer levies will be decided at the same time as the new season's maize price, now under review by the National Marketing Council.

Agriculture, Economics and Wa-

ter Supply Minister Greyling Wentzel is to announce the new price in the last week of this month.

Sources say the price increase — farmers received no increase last year — is likely to be more than 10%.

Nel has denied a recent report that another 100 000 tons of white maize — on top of the 200 000 already ordered — are to be imported from Zimbabwe.

He says producers have been offered premium prices for early deliveries to bolster supplies of white maize.

On the R230m Stabilisation Fund deficit, Reserve Bank senior deputy governor and agriculture standing committee chairman Japie Jacobs says his committee has recommended the deficit be written off to relieve the farmers' debt burden.

A senior agriculture department source says government has begun to liquidate the deficit with payments to the Land Bank and Reserve Bank.

Last year R40m was paid off.

Future payments will depend on government's financial circumstances, he says.

SOUTH AFRICA

IMPORTANCE OF MOSSEL BAY PROJECT EMPHASIZED

Johannesburg THE CITIZEN in English 11 Apr 86 p 11

[Article by Brian Stuart]

[Text]

CAPE TOWN — It is "full steam ahead" with the development of the Mossel Bay fuel-from-gas project in spite of the international slump in oil prices.

Dr Louw Alberts, Director-General of Mineral and Energy Affairs, said yesterday that South Africa was a heavy importer of crude oil and should exploit her own resources to the full for strategic reasons.

The country needed to have a "safe reserve" of accumulated supply as well as the local production of Sasol and Mossel Bay to tide South Africa through any crises that could conceivably occur.

In an interview yesterday, Dr Alberts told The Citizen that even based on current rock-bottom international prices, Mossel Bay alone could save the country in the order of R600 000 a day, every day of the year, in foreign exchange.

Thirdly, it was a major development project which would create thousands of jobs in the con-

struction stage and give permanent employment to about 1 500 people when production started.

Extra problems

Present estimates were that petrol and diesel would be produced from Mossel Bay gas from 1991, with a daily oil equivalent of 20 000 to 25 000 barrels.

While the international oil market crashed to a low of \$10 a barrel this week, it had to be remembered that South Africa did not have access to these particular primary sources and also that transport costs had to be added.

But even if South Africa could import crude oil at, say \$15 (or R30) a barrel, this would mean that Mossel Bay would save the country R600 000 a day in foreign exchange.

"But we are talking about 1991, and the international oil market is likely to be different then. It is not what the price of oil is today that counts.

Primary reasons

Dr Alberts said it was necessary to "start devel-

oping this massive plant" and hope it would be economically viable when completed in 1991. But the bottom line was that South Africa needed to undertake the project for strategic reasons.

"The primary reasons why the Sasols and Mossel Bay are brought into being is strategic and not economic.

"Even when oil is cheap and generally easily procurable, South Africa unfortunately is never completely out of the shadow of being cut off from oil supplies because of the international political situation.

"We have to provide for ourselves. We can never become totally self-sufficient but we need to ensure that we have enough from our own indigenous resources and our oil reserves to take us through any crisis.

"Secondly, we cannot expect this collapse of oil prices to continue indefinitely."

Mr Alberts said a construction phase of the Mossel Bay fuel-from-gas project would employ

several thousand people over the next five or six years. It would therefore be an invaluable regional development project.

It was also expected to generate additional jobs in ancilliary industries, particularly in the coastal region from Mossel Bay to Port Elizabeth. South Africa was still a developing country which needed this kind of economic injection.

"Obviously, if we suddenly discovered substantial oil reserves in South Africa we would not need the Mossel Bay project. But because we have no oil reserves, it remains a worthwhile development", said Dr Alberts.

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SOUTH AFRICA

ISCOR REDUCING IRON-ORE EXPORT PRICE DUE TO OVERSUPPLY

Johannesburg SUNDAY TIMES-BUSINESS TIMES in English 23 Mar 86 p 11

[Article by Don Robertson]

[Text] ISCOR has been forced to reduce prices of its iron-ore exports to Japan and Europe because of the oversupplied market.

The price cuts and an improvement in the value of the rand are likely to chip away at export earnings which reached R246-million in the year to June last.

It is estimated that the lower prices for exports to Japan could reduce income by R12-million.

Worldwide overproduction of iron ore has allowed consumers to virtually dictate prices. Many have been playing one exporter off against the other.

The lower prices, reluctantly accepted by Iscor, mean that exports in 1986 are expected to rise to about 10-million tons from 7.9-million in the previous financial year.

Japan has negotiated to take 5-million tons this year, but has insisted on a 5% cut in the basic price and another 2.68% on quality demerits. The quality demerit relates to the iron content in the Sishen ore and the extent of potassium in the ore.

Ben Alberts, senior general manager, mining, at Iscor says: "Because of the world oversupply of iron ore and the underused capacity, we had to accept these prices."

Shipping costs

About 4-million tons of iron ore is exported to Europe, including Britain, Germany and Italy. Turkey is another big buyer. Prices cuts of between 4% and 5% have been negotiated, which translates into a 1% to 2% reduction in the Saldanha fob price.

The price cuts follow a 1.5% increase in 1985 on the previous year and reductions of 13% and 11% in 1983 and 1984.

The world iron and steel outlook is not encouraging. No appreciable increase in steel production is forecast for the next 10 years, and spare iron-ore mining capacity this year is estimated at 760-million tons compared with forecast consumption of 440-million tons of ore with a iron content of 66%.

The Carajas mine in Brazil came into production this year and is expected to produce 35-million tons of iron ore.

Mr Alberts says: "Things don't look promising and our rising inflation rate and strengthening rand are causing a problem. However, lower prices might force some producers to quit the market."

Consumers have also benefited from lower shipping costs, and in Europe, the reduction has been as much as 4% to 6%. A third of SA's

exports to Japan are sold on a cost/freight basis.

R814m debt

In spite of the expected reduction in earnings from exports, Iscor should be able to make a contribution to the Government to reduce the R814-million debt that was taken over from SA Transport Services for the Sishen-Saldanha rail line and harbour. In the previous year "a substantial sum was repaid", says Mr Alberts.

The mining operation's ability to reduce debt depends to a large extent on the rand's exchange rate.

The Sishen mine is operating well below capacity. It was planned at 18-millions for export and 9-million tons for Iscor's use. Total mine production this year is estimated at 18-million tons.

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SOUTH AFRICA

BRIEFS

GOLD MINE EXPLORATION--Drilling for gold has begun near the Southern Suburbs of Johannesburg. Two deep exploratory boreholes are being drilled outside Johannesburg by Rand Mines, who hold mining options over large areas in the south, to determine the viability of further exploration in the Southern Suburbs. This was disclosed by the chairman of Johannesburg City Council's Health and Environmental Committee, Mr Cecil Long, who has given the assurance that drilling will not affect the environment. The exploratory boreholes will indicate the depth of the reef, which dips to the south. If the establishment of an ultradeep mine is eventually decided upon, workers, materials, ore and slime will be conveyed to and from a new shaft in Moffat Park in the Southern Suburbs along twin tunnels. These tunnels would lead to City Deep to make use of its existing mine infrastructure. The mine-out areas would probably be repacked with slime and waste rock to minimise the danger of rockbursts and reduce the working areas since at that great depth adequate cooling and ventilation become very costly. Mr Long said the shaft entrance would be below ground level to lessen further the impact on the environment and there would be tastefully designed office buildings at the shaft. White miners and their families would, however, live in the community and because of the demand for houses, property values would rise. Mr Long said that the Management Committee had initially been concerned about the impact the drilling would have on the environment. "But frank discussions with Rand Mines has allayed our fears," he said. "The impact that these developments will have on the southern areas will be discussed at all times with the mining companies to arrive at agreed means of limiting them to an absolute minimum," he said. Mr Long pointed out that Johannesburg owes its existence to the discovery of gold and that it was of such importance that "all South Africa should pray that in the City's Centenary year, the results of the present exploration are favourable." [Text] [Johannesburg THE CITIZEN in English 8 Apr 86 p 2] [Article by Helen Simpson] /13104

FARMER'S DEBT PROBLEMS--Farmer's high interest burden - a major component in input costs - could be disastrous, according to the 1985 annual report of the Land Bank. Released in Pretoria, the report warns farmers against injudicious spending and excessive use of credit. Farmer's total debts amounted to R9,495bn at the end of 1984 - 374% up on the debt figure for 1975. This was an annual average yearly increase of 18,4% against an annual average inflation rate of 15,6%. The total debt was likely to increase further, because of drought, by the end of 1985. The deterioration in the financial situation of

the agricultural sector was a matter of concern. The report says in spite of a number of favourable production years, the industry had to rely to an increasing extent on credit facilities for working capital. Periodic drought, the report stresses, is normal in South Africa, but in addition to drought farmers had to contend with spiralling production costs. The rising costs structure and increasing interest burden on rising indebtedness, had greatly diminished farmers incomes. Inflation was one of the biggest problems facing agriculture, and although the control boards contributed to greater stability, they could not fully compensate for the price spiral. The report stresses, too, that although farmers had no control over production costs, increased costs could be reduced by scientific planning and by economies to raise production and reduce costs. [Text] [Johannesburg BUSINESS DAY in English 27 Mar 86 p 2] [Article by Gerald Reilly] /13104

URUGUAY TRADE MISSION--A Trade Mission from Uruguay is visiting SA to explore possibilities for joint ventures and bilateral agreements between the two countries. Invited by the Departments of Foreign Affairs and Trade and Industries, the nine-person mission visited the Rand Show last Thursday with a view to Uruguayan participation next year. "What we would like to see - and we understand that possibilities do exist for this - is for joint ventures between Uruguayan and SA companies, particularly in mining, steel and iron," president of the Uruguayan-South Africa Chamber of Commerce in Montevideo, Nigel Davies, told a media gathering at the show. Similar ventures exist with other countries. Advantages for SA investors were the absence of any threats of expropriation, unlimited repatriation of profits and, depending on the agreement reached, total exemption from company tax for between five and 10 years, Davies said. Uruguay endorsed the opposition of the United Nations to SA's political policies, but believed trade should not be affected by this, Davies said. The country needs technology, raw materials like iron and steel, PVC, canned goods and packaging and could possibly export shoes, leather articles, and rubber tyres, he said. Uruguay exports about 25 000 tons of rice annually to South Africa at a value of about \$10m to \$15m and imports iron, steel and PVC at an approximate annually value of \$3 to \$5. [Text] [Johannesburg BUSINESS DAY in English 1 Apr 86 p 5] [Article by Linda Ensor] /13104

TRADE WITH PORTUGAL RISES--Exports to Portugal rose from R26m in 1984 to R44m in the first nine months of 1985. Portugal's exports to SA were worth R26m. "Bilateral trade of \$70m is a little disappointing, considering the large Portuguese population living in South Africa," Neto da Silva, former Portuguese Minister of Commerce, said yesterday. He was speaking at the Johannesburg Chamber of Commerce seminar on trade with Portugal. Da Silva is Portugal's industry delegate to the economic committee of the European Community. "Portugal's entry into the EC should stimulate bilateral trade with South Africa," he said. "Until now the trade has been fairly static insofar as we import South African raw materials and export our traditional products: wine, cork, marble, sardines and agricultural produce. "However, now that Portugal is industrialising at a rapid pace - already 40% of our gross domestic product covers the industrial sector - we are increasing our exports of manufactured goods to South Africa. "Particularly noteworthy is the fact that South Africa is buying more of our textiles, leather goods and footwear." [Text] [Johannesburg BUSINESS DAY in English 4 Apr 86 p 4] /13104

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